

Back-to-work order defied by left-wing pit leaders

Left-wing leaders of the 50,000 miners now on unofficial strike intend to reinforce their challenge to the Government's coal industry policy, despite the instruction from the NUM executive yesterday that

the men should return to work. In the Commons, the Prime Minister gave a warning that the miners' defeat of the Government would fall on everyone in higher taxes or interest rates.

Yorkshire may join the walkout

By Paul Routledge
Labour Editor

The Government's industrial crisis over striking pitmen looked far from over last night despite an instruction from the executive of the National Union of Mineworkers that there should be an immediate return to normal working.

Left-wing coalfield leaders who have brought out more than 50,000 miners on unofficial strike plan to continue their challenge to the Cabinet policy for the coal industry, and they may be joined today by Britain's largest mining area, Yorkshire.

There is a partial return to work in Scotland and Durham yesterday as the NUM executive gathered to vote on the return-to-work formula worked out in talks with Mr David Howell, Secretary of State for Energy, which guarantees huge new state aid for coal mines. At seven pits in the militant Scots coalfield went back, but the miners in South Wales and Kent remained solidly on strike.

In Yorkshire, where more than 1,000 pitmen were on strike at Orgreave and Park Hill, two collieries that had been threatened with closure, the NUM area council will be recommended by Mr Arthur Scargill, the coalfield president, to strike from Monday.

"We believe that there should be firm assurances on the table that are not present at the moment," he said yesterday. "The coal board should declare that all those pits named in the programme are not to be closed."

Mr Margaret Thatcher yesterday gave a warning that the Government's defeat at the hands of the miners would fall on everyone, either through higher taxes or higher interest rates. The Prime Minister, attempting to cut through the clamour of criticism and derision provoked in and out of Parliament by the Government's about-turn, tried claiming credit for the way she had brought the crisis to an end. "The action was swift and decisive," she snapped at Commons question time.

Mrs Thatcher was determined not to go beyond what was conceded at Wednesday night's meeting regarding the Government's willingness to increase spending. But she insisted that the only place the money was to be found was from the people of this country.

"When people constantly ask for more money I hope they will keep that in mind," she said.

Last night senior ministers said that the concession on coal made the Government more determined than ever to live in to other unions. The Prime Minister made it quite clear that she was swallowing her pride, and in no mood for jolting with those who jeered at her.

There was no rejoinder to Mr Merlyn Rees, the shadow energy spokesman, who scoffed,

with huge cash subsidies to stem the flow of coal imports and ease the coal board's financial constraints laid down under the Coal Industry Act, 1980.

Their moves contradict the plea made by Mr Joseph Gornier, president of the NUM, to "responsible" members of the union's national executive to secure a return to work. The executive voted yesterday by 15 to 8, with one abstention, to approve a policy of accommodation with the Cabinet.

The successful motion, which divided the miners' leadership along familiar left-right political lines, said the workers should accept that the outcome of the talks at the Department of Energy on Wednesday night represented "a victory for NUM policy and common sense."

It went on to instruct the miners' national negotiators to meet the coal board and other unions in the industry "to formulate the biggest financial package to put to the Government at the next meeting."

Talks on a financial rescue for the coal industry are to be resumed next Wednesday. In the meantime, the executive insisted on saying, despite pleas from Mr Scargill and Mr Michael McGahey, the leader of the Scottish pitmen: "We instruct our members who are now on strike to return to work."

The palliative that did not satisfy militant members of the executive was that it bore an "unsatisfactory outcome" to the forthcoming talks, the union would implement its previous decision to go to the men with a recommendation

of national strike action. More than 300 striking miners picketed the NUM offices in Euston Road, London, yesterday when the executive arrived to take the decision, and there were jeers as moderate leaders went in. Even Mr Scargill, many of whose members have not yet joined the unofficial strike, did not escape the wrath of the picketers. He was criticized by Kent miners for "not being active enough."

Mr Trevor Bell, secretary of the union's Colliery Officials and Staff area, said that Mrs Margaret Thatcher had been "foolish enough to think that the downward trend that her Government had created in British industry could go on without a group of workers somewhere, sometime, deciding enough was enough."

The outcome of the unofficial strike movement that forced the Government into an unexpectedly early retreat from its position of allowing no increase in the coal board's cash limits, now rests on meetings that are due to be held today and over the weekend. Yorkshire pitmen and those in North Derbyshire are due to join the present unofficial strike at the first shift on Monday.

If they do so, the Government will remain under continuing duress at a time when it is engaging in talks with leaders of the "tripartite alliance" — the NUM, the National Union of Railwaymen, and the Iron and Steel Trades Confederation — on the general outlook for the nation's basic industrialized industries. Those discussions open with ministers on Monday morning.

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Shrinkage in economy heads for 1930 level

By Melvyn Westlake

Britain's economy shrank by 5 per cent during 1980, effectively wiping out much of the growth that took place in the two previous years. The full dimensions of the recession which arrived last spring became clear yesterday with the first official estimate of the slump in gross domestic product during the whole of last year.

Gross domestic product is the measure commonly used to express the size of a nation's economy and changes in its performance. Yesterday's figures show that gdp contracted by 5 per cent between the fourth quarter of 1979 and the fourth quarter of 1980.

However, as the economy was declining throughout the year, the average level of gdp last year showed a slightly smaller drop compared with the average of 1979.

On this basis the decline was 3 per cent, roughly in line with the Treasury forecasts which accompanied Sir Geoffrey Howe's November mini-Budget, but slightly greater than expected at the time of his full Budget last March.

A further shrinkage in the economy, of about 1 per cent this year, is also expected by government economists, although many others predict that it will fall by as much in 1981 as in 1980.

This would make the present recession twice as deep as the one in 1974-75, which was the previous worst since the war. In those two years together, gross domestic product fell about 3 per cent.

It would also mean that the present contraction of the economy was similar in magnitude to the great slump of 1930-31 when the fall in gdp was about 7 per cent in the two years taken together.

Industry, particularly the manufacturing and construction industries, have borne much of the brunt of slump this time, although the distributive sectors have also been hit.

Agriculture, which accounts for only a tiny proportion of the nation's output, has done rather better, while the transport and communications sectors have also begun to be affected as the recession has progressed.

As North Sea oil and gas production was up in 1980, the fall in the rest of the economy is even bigger than the overall figure suggests.

The main engine of the recession has been huge and insidious manufacturing cost increases, while the monetary squeeze, high interest rates and rising costs.

Stocks are often financed on borrowed money and companies have been forced to take action to bring down their costs by every possible method. As well as cutting stocks, they have shed labour and reduced capital investment.

Separate figures published yesterday show that the manufacturing and distributive industries were slashed by over £2,000m (at 1975 prices) or some 7 per cent last year — the highest drop ever recorded.

The fall in stocks during the fourth quarter of 1980 alone was £940m, the bulk of this destruction occurring in the manufacturing sector. Stocks of materials and fuel, as well as

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The Pope and the photographers: An alert photographer caught the Pope yawning at Mass in Quezon yesterday during his strenuous tour of the Philippines. In Paris yesterday the French photographer, René Leveque, won a first prize in the World Press Photo Contest for his shot (below) of the Pope making fun of photographers at an earlier encounter.

New Polish regime's deal with farmers ends months of unres-

From Dossa Trevisan
Warsaw, Feb 19

The Polish authorities today recognized in fact, if not yet in law, the independent Rural Solidarity union by signing an agreement with its representatives.

Their action ended a six-week strike in Rzeszow, in south-east Poland, and removed the remaining source of tension after the settlement reached yesterday with the students.

The Ministry of Agriculture and the strike committee of Rural Solidarity, reinforced by Mr Lech Walesa, the chairman of the independent Solidarity union, agreed after negotiations that went on throughout the night on a number of crucial issues.

The agreement heralds radical changes in Poland's agricultural policy, and in the status of private farmers whose co-operation is vital in the Government's struggle against the country's economic difficulties.

The agreement did not include the question of recognition of Rural Solidarity, but in accepting the signatures of its founders, the Government left open the way to formal recognition. The farmers agreed to shelve the issue, hoping for a possible compromise solution.

Under the agreement private land ownership is to be guaranteed by special legislation in Parliament, incorporating the guarantees into the constitution. Farming in Poland is overwhelmingly in private hands, but there were many issues left unclear, particularly concerning the inheritance of land.

Obviously, made the farmers feel insecure. The farmers, who have been complaining about official discrimination in favour of state-owned farming estates, have also been guaranteed equal treatment and other improvements in their position.

With this issue settled and the farmers accepting the Government's pledges of new support for agriculture and agreeing to wait for their association to be made legal, the country is free of open domestic strife for the first time since early last summer.

The astonishing thing is that it has happened within the new Government's first week. General Wojciech Jaruzelski, the new Prime Minister, restored peace without having recourse to threat of force, but by pursuing negotiations. That has created a climate for the Government to carry out its programme of urgent reforms.

Obviously, it will require sacrifice and good will from the population but the Government has acquired the trust which its predecessor clearly lacked.

Meat and sugar rationing is to be introduced a month or two after agreement was reached by the Government with Solidarity. The sugar ration, which has been set for a number of years at two kilos (just over 4 lb) a person a month, is to be reduced to 1.5 kilos.

Meat rationing is expected within a month, and according to the agreement, each person is to receive an average of 3.5 kilos of meat a month. But no agreement could be reached over butter rationing.

Reagan budget under attack by liberals

From Patrick Brogan
Washington, Feb 19

Members of Congress and other public figures have reacted to President Reagan's economic message along predictable partisan lines. Senator Edward Kennedy, the Democratic Party's leading liberal, said: "I am not prepared to see the social progress of a generation swept aside by a few short weeks."

Mr Mickey Edwards, a Republican congressman, said that the proposed measures were "the beginning of a political revolution in this country."

He observed that the President would find it difficult to get his proposals through Congress because "everyone whose ox has been gored, and that's going to include just about everybody, is going to be squealing."

The President himself has retired to his ranch at Santa Barbara, California. Before leaving, he said: "We believe that the main source of strength in this country is going to be the people themselves. We believe also that they are ready to support a great change."

The most hostile reaction, predictably, came from liberals. The congressional black caucus denounced the plans as attacking programmes that are the lifelines for millions of poor Americans.

The President's supporters have taken to the air to defend the proposals. Mr Donald Regan, the Secretary of the Treasury, and Mr David Stock-

man, the Secretary of the Office of Management and Budget, were on breakfast television.

Mr Reagan has proposed cuts of \$41,000m (£18,000m) in next year's government spending, plus a further \$8,000m in concealed expenditures to bring the total up to almost \$50,000m. He also proposes that income tax should be cut by 5 per cent from July 1 (half way through the American tax year) and by a total of 30 per cent over the next three years.

He intends to propose sharp increases in the defence budget (\$50,000m in the next three years) but the exact figures have not been revealed yet.

Yesterday's exercise was a "message" to Congress. The formal revisions to the budget will be delivered next month.

Mr Reagan was loudly cheered when he entered the House of Representatives to make his speech last night. It was the first time he has addressed Congress. The speech was delivered at 9 pm to allow as many people as possible to watch it on television.

The American Federation of Labour-Union of Industrial Organizations, which is holding its annual congress in Florida, denounced the President's proposals. It said that they substitute unrestrained market power for social responsibility and human concern.

The President's programme was "a high risk gamble with the future of America."

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Bomb kills soldier at KGB base

From Michael Binyon
Moscow, Feb 19

Soviet sources today indirectly confirmed reports circulating in Moscow that a bomb exploded near the headquarters of the KGB security police earlier this week, killing a Russian soldier.

The explosion apparently occurred on Monday afternoon in Kirov Street, leading off the square where the large granite headquarters of the KGB are situated. It is not clear how or where the bomb was planted, but there are suggestions that the motive was political.

The sources agreed today that there had been an incident, and that an engineer was killed, but suggested the motive was a private vendetta. However, a local police station told Western correspondents that they should ask the KGB for details, as they were handling the case — a clear hint that the authorities believe the purpose to have been political.

A political attack would clearly have been timed to coincide with the opening of the Communist Party Congress in Moscow. But the timing was also a protest by one of the nationalist groups in the Soviet Union.

The most active of those are the Armenian nationalists, who were responsible for planting a bomb in the Moscow underground four years ago. At least seven people died in that incident and three men were shot in 1979. A year after the bombing the Government published a decree tightening control over the storage and registration of explosives.

Soviet party officials, asked about the incident on Monday, dismissed it as a provocation. But they did not deny that the explosion had happened, suggesting rather than the news of it was provocative.

Two found dead on Ben Nevis

Two climbers missing on Ben Nevis since Saturday were found dead yesterday in a hollow on the mountain.

John Mercer, aged 22, of Treadgold Crescent, Leeds, and Geoffrey Hill, also 22, of Holt Farm Rise, Leeds, set out to walk up the mountain, leaving their car at its foot.

Yesterday afternoon a mountain rescue dog led a search team from Lochaber to Mr Hill. He had fallen between 300 and 400ft and his body was lying in snow on the south side of the peak.

Another rescue party, who had been on the mountain since early morning, later found Mr Mercer's body.

It is believed that the two men, both experienced climbers, had reached the 4,066ft summit, but started descending by a different route and lost their way.

New transplant

Mr Robert Libberton, aged 42, of Killamarsh, Derbyshire, Britain's latest heart transplant patient, was in satisfactory condition at Papworth Hospital, Cambridge, after an operation early yesterday.

Water unions reject 'final' 10% pay offer

Water industry employers said that a national strike would not bring an improved pay offer after union conferences around Britain had voted for rejection. The National Water Council said the 10 per cent offer was final and was not planning any initiative. England's nine water authorities have been asked by the Government to reduce their charges after an independent inquiry.

The Post Office is urgently seeking an agreement with unions for a productivity scheme to save 15 million working hours and between £40m and £50m next year. The proposal will be discussed by a special conference of the Union of Communication Workers in April.

Urgent postal talks

Whitehall pay hope

he Government is likely to increase s pay offer to 530,000 white-collar civil servants from 5 to 7 per cent for private talks with union leaders. They are due to meet Lord Somers on Monday.

Mr Callaghan steps into Canada dispute

Conservative MPs at Westminster have responded angrily to a surprising intervention in the Canadian constitutional debate by Mr James Callaghan, the former Prime Minister. Mr Callaghan asked for an understanding that any request from Ottawa to patriate the British North America Act would be met in full by Britain.

Civil Service review

Oxford fees more

Spanish election likely

Committee stays

London Annan, vice-chancellor of London University, firmly denied rumours that the Swinerton-Dyer committee on the rationalization of the university's non-medical colleges is about to be wound up or at least "muzzled".

Serious crime in London rises

Serious crime in London increased by 5 per cent last year and half the people arrested were aged under 21. The police said part of the reason was a 20 per cent increase in robbery and other violent theft.

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Letters: On unions and Labour, from Mr Frank Field, MP; Civil Service pay, from Mr John Ward; historic buildings, from Mr William Bell and others.

Leading articles: Government concession to the miners; Reform of EEC farm prices.

Features, pages 1, 14
Peter Hill on why Linwood was always doomed; Cecil King at 80 — memories of the dynamic days; Michael Binyon's Moscow Diary.

Sport, pages 10, 11
Football: Wigan manager dismissed for the second time; Rugby Union: Goshford back Burgess plans; Rugby League: French and rift over amateurism; Cricket: England double reviewed by John Woodcock.

Arts, page 12
Nicholas Winstone reviews *Raging Bull* and other new films in London; Irving Wardle on *Waiting for Godot* at the Old Vic; Obituary, page 16; Gilbert, Professor Franz Sondheimer.

Business News, pages 17-22
Stocks: Markets: The end of the miners' strike brought renewed demand for equities ahead of today's debut for British Aerospace; bills made further progress and the FT index rose 4.9 to 484.2.

Financial Editor: Creditability gap for the dollar; Marchwiel's Sudan losses.

Business Features: Frank Vogt reports on President Reagan's high risk economic strategy.

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Post Office is seeking union agreement on cut of 15 million hours

By David Felton
Labour Reporter

Post Office executives are seeking urgent union agreement to a national productivity scheme which would save 15 million working hours next year, without which the corporation could exceed financial limits set by the Government.

The scheme, which is to be discussed at a special conference of the Union of Communications Workers in April, would save the Post Office between £40m and £50m a year, Mr Ronald Dearing, corporation chairman, yesterday indicated that if the union conference rejects the scheme the management may impose sections of it.

Mr Dearing said he hoped the scheme, which would involve much of the corporation's workforce of 180,000, would be implemented by agreement; otherwise he expected local outbreaks of industrial action like the dispute in Manchester last month which delayed mail for several days.

The productivity scheme, which involves reductions in the amount of overtime, new working methods and changes in some manual jobs, is being conducted on an experimental basis at 162 sorting offices.

Post Office executives are pleased with the results, particularly in the London area, and said yesterday that there had

been a reduction of about 9 per cent in hours worked. Reductions in staffing have been achieved by natural wastage and Mr Dearing said there were no plans for compulsory redundancies.

Under the scheme postal workers in sorting offices have received bonus payments equivalent to 70 per cent of the hours saved and these have boosted pay by between £5 and £15 a week. Average earnings for the London area are about £120 a week and earnings in the provinces are just less than £100 a week.

"We are committed to continuing reducing our costs and we have no option but to make productivity improvements," Mr Dearing said. He added that if a national scheme was introduced everyone would benefit, including the customer, postal workers and the corporation.

The national scheme, which will be recommended to the union conference by its executive, would be voluntary and arrangements in individual offices will be negotiated locally. The Post Office is also seeking productivity improvements from counter staff.

Talks between the union and the corporation on the eight basic principles of the scheme are continuing in the hope that final details can be laid before the May conference.

Four pits in Yorkshire reject appeal to end strike

From Richard Ford
Wakefield

Unofficial strikes affected four pits in Yorkshire yesterday, with 1,610 miners ignoring an appeal from Mr Joseph Gormley, president of the National Union of Mineworkers, for an immediate return to work.

Pickets travelled to other collieries in the coalfield in an attempt to persuade more of the country's 66,000 miners to join the strike.

However, they found that although there was sympathy for men at pits on the now withdrawn National Coal Board closure list, miners wanted to wait until Mr Arthur Scargill, the union's Yorkshire president, had reported to an area delegate meeting today before they took action.

Five hundred men at Park Hill colliery, near Wakefield, voted unanimously to continue their strike until Monday, and Osgreave pit, near Sheffield, also voted to continue the strike. At a standstill, with 540 men out, the decision was taken at a meeting of 70 men at the colliery, as did 500 at Ackton Hall colliery.

Board officials in Yorkshire did not know if the strike would spread to night shifts. But earlier Mr Michael Eaton, North Yorkshire area director of the board, said the decision to withdraw the closure proposals gave a breathing space for the dif-



Mr Arthur Scargill surrounded by police and miners when he arrived for an emergency meeting in London yesterday of the National Union of Mineworkers' executive.

ficulties of pits with dwindling reserves to be considered.

He wanted urgent talks with the trade unions "in the light of the very limited resources of coal left at the collieries which were listed."

Mr Kenneth Capstick, a Park Hill NUM delegate, said after the meeting: "Our action will continue until we get an absolute undertaking from the board to draw the closure proposals away and a breathing space for the dif-

others are out fighting for us?" The NUM branch secretary at the colliery said the initial reaction had been one of happiness, but that had changed to apprehension. Mr Arthur Scargill, branch secretary of the Prince of Wales colliery, said: "We are worried that we have got the stuffing but there might be no turkey."

"There is a lot of distrust over the deal. In the past they have never conceded anything as fast as they gave in to this one. Nothing has been put on the table yet."

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South Wales waits for delegate conference decision

From Tim Jones
Cardiff

Leaders of the 25,000 South Wales miners will decide today whether to call off the unofficial strike that has stopped all coal production in the area for four days.

Although the coal board's climb-down over its pit closure programme was welcome, Mr Emyr Williams, president of the South Wales miners, said he was "always suspicious of a Conservative Government."

In spite of the coal board's decision, the miners in the area, who spearheaded the fight against the closures, continued yesterday their picketing of power stations and other "strategic points". An area delegate conference in Bridgend today will decide whether to recommend a return to work.

By then the leadership hopes that the Government will have stated how much more money will be available to the industry and indicated how firmly it is prepared to act against the importation of cheap coal.

Mr Desmond Duckfield, the National Union of Mineworkers' vice-president in South Wales,

said: "The men will stay out one hundred per cent until they hear from the delegate conference. We are obviously pleased with the result, but we want to know the details."

It seemed incredible that a situation that had been growing into a crisis for 18 months could be settled in an hour and a half behind closed doors.

Mr George Wright, general secretary of the Wales TUC, who had threatened to organize full picketing if the Government attempted to use troops to move coal, said the reversal represented a victory for the miners. "If more workers had done this 18 months ago, thousands more jobs could have been saved."

Back on Monday, 1,800 miners on unofficial strike at three pits in co Durham are refusing to return to work until Monday in protest at the coal board's earlier decision to close four collieries in the North-East (John Underwood writes from Durham).

Only one of the threatened pits, Houghton colliery, near Sunderland, resumed normal work yesterday.

Opencast coal 'threat' to 30,000 mining jobs

By Peter Hill
Industrial Editor

Surplus opencast coal production threatens the jobs of more than 30,000 miners, and production from opencast sites, which is carried out by civil engineering companies under contract to the National Coal Board, is reducing the level of profit potential, it was asserted yesterday.

The Yorkshire-based Opencast Mining Intelligence Group said that the board's profit potential was being reduced by between £50m and £100m.

Their report, which is to be discussed at a conference on opencast mining organized by the Yorkshire and Humberside Council for the Environment, suggested that the level of opencast mining, introduced originally as an emergency measure, could not be justified.

The report states: "The current 10 million tons of surplus opencast production is directly threatening the jobs of some 35,000 miners and would well jeopardize the improvements which are being made in the down as rapidly as possible to deep mines."

"Opencast should be run as a tick-over level of about five million tons a year."

This would improve the coal board's profit and its cash flow and would create time to establish a reasonable programme for closing uneconomic pits in parallel with the essential development of the deep mines."

Commenting on the report's main findings, the coal board said that the opencast coal mined by contractors was the most profitable in Britain, producing a profit last year of £8.43 a ton. "Because it is so profitable it helps us enormously to balance our books, and this is a major reason why the board has maintained a high level of opencast mining."

The report's authors, however, agreed that the £8.43 a ton profit figure was superficial, incorrect and grossly misleading. They argued that the excess of opencast production was swamping a saturated market and forcing the coal board to adopt an ill conceived policy of wholesale closure.

A spokesman for Opencast Mining Intelligence Group (Opencast Mining Intelligence Group).

AUEW in action over committee

By Our Labour Staff

Engineering union leaders are facing legal action over their plan to hold the annual meeting of the newly expanded national committee in a month's time.

The Amalgamated Union of Engineering Workers' Technical, Administrative and Supervisory Staffs' Section (Tass) is challenging the legal basis of the new 91-member committee. The national committee is the sovereign policymaking body of the union's dominant engineering section.

The executive of Tass has decided to seek an injunction restraining the engineering section from holding the committee in its new form on the ground that to do so would be a breach of the rules of the four-section amalgamation.

Relations between the engineering section's right-wing leadership and the left-wing-led Tass are strained to breaking point.

The committee was originally intended to be enlarged as part of plans for a new policy-making body comprising delegates from the engineering, construction, foundry, electrical and metal workers, Coppersmiths, Heating and Ventilation Engineers.

That proposed merger has been stalled by a decision by certification officers that conflicts with the rules of the amalgamated union. The engineering section is seeking a High Court ruling overturning that decision.

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Engineering pay rises fall sharply

By Donald Macintyre
Labour Reporter

Further evidence of the decline in the level of manufacturing pay settlements has been provided by figures showing a sharp fall in engineering pay increases.

About 90 per cent of settlements recorded in the industry during December and January were for 10 per cent or less. That compares with 75 per cent of the settlements in the previous two months.

The growing trend towards single-figure pay rises is shown in Engineering Employers' Federation returns from 500 companies employing 170,000 manual workers and staff.

About 30 per cent of employees covered in the survey, recently completed but not yet published, accepted wage rises of 6 per cent or less. That is a notable increase over the 10 per cent who settled at that level during October and November.

About 58 per cent of the employees covered accepted settlements between 6.1 and 10 per cent. That suggests that the biggest group settled at or around 8.2 per cent, also the level of increases in minimum rates agreed nationally from November 1.

Minimum rate settlements directly affect only the small minority of workers who are paid no more than the national basic rate and overtime and shift premiums paid to other employees.

It is normal, however, for the level of real pay increases in a 40-hour week to mirror the basic rate increase. The 8.2 per cent settlement was reached with relative ease by the EEF last year.

The trend shown by the EEF figures reinforces Wednesday's monthly average savings figures, showing an overall rise of less than 10 per cent, half the rate of increase of a few months ago.

As with a similar Confederation of British Industry survey, also published on Wednesday, the results of the EEF survey are bound to be attributed to continued recession and consequent fears of unemployment.

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Ministers admit errors over issue

Continued from page 1

£886m public funding being given to the coal board next year, mostly in investment.

In spite of demands from Labour's spokesmen to be explicit, and so avert the risk of renewed misgivings over the trust among miners both Mrs Thatcher and Mr Howell declined in the Commons to go beyond the statement Mr Howell added that it was for "negotiations" at his meeting with mining unions, the coal board next Wednesday.

Mr Howell also made clear, contrary to Opposition demands, that new legislation would not be needed to extend the government funding. He said the Coal Industry Act of 1980 was flexible enough.

Senior ministers acknowledge that the affair was badly judged by the Government, but insist that it must be better not to have a strike than have one. And they hope that they will

rescue some credibility for having acted so swiftly.

But other Conservatives are outraged and bewildered, believing that the Government has cracked at a psychologically important moment, inciting other public service unions to believe they have only to get tough to win.

The strongest comment came from Sir Angus Maude, the senior Tory backbencher, until recently in the Cabinet. He termed the Government's handling of the affair "a shambles."

Although he hastened to say: "I do not suppose the Prime Minister had any part" in its beginning.

Asked on the BBC's *World at One* whether it was a "humiliating defeat" or a "climbdown or an adjustment of tactics," he said: "I would not describe it as any one of them."

"I would say that the Government, whether through its own fault or because it was not

'Scandalous surrender' to miners

The "scandalous surrender" to the miners had reduced Mrs Margaret Thatcher's economic policies to a shambles, Mr Walter Goldsmith, director-general of the Institute of Directors, said yesterday.

"We might as well ask the miners' union when it wishes to call the next general election. Ministers have lost their way."

The "catastrophic decisions" of recent weeks, including more state aid for British Leyland and British Steel, now made it "terribly difficult" for him to urge his members to back the Government.

The private sector had borne the brunt of the recession, while the public sector was getting away "virtually scot-free."

Opencast should be run as a tick-over level of about five million tons a year.

Mr Shore invited to join new Labour grouping

By Our Labour Staff

Senior Civil Service union leaders have held private negotiations to lay the groundwork for an improvement in the 6 per cent pay offer to 530,000 white collar civil servants.

The Government will probably make a formal increase of 7.5 per cent in full-scale negotiations on Monday, when the unions are due to meet Lord Soames, Lord President and ministers responsible for the Civil Service.

Ministers are concerned at the prospect of making an independent offer to have it rejected by the unions, who are seeking a 15 per cent increase.

Last night's meeting with Mr Gordon Burrett, deputy secretary at the Civil Service Department in charge of pay negotiations, was designed to sound

Better deal near for Civil Service unions

out the unions on what kind of package would be necessary to head off a campaign of industrial action, due to be launched early next month.

Mr William Kendall, secretary general of the Council of Civil Service Unions, and Mr Peter Jones, the council secretary, were accompanied at the meeting by Mr Gerry Gillman, general secretary of the Society of Civil and Public Servants, and Mr William McCall, leader of the Institution of Professional Civil Servants.

It is thought that the union leaders told Mr Burrett that an offer of 7.5 per cent would not be sufficient to prevent the action and heard that the Government may consider adding other elements to produce a package that would be acceptable.

Mr Biffen is questioned about the new editors

By Fred Emery

Questions about whether the appointments of the new editors of *The Times* and *The Sunday Times* were within the spirit of the undertakings given by Mr John Biffen, Secretary of State for Trade, and Sir Rupert Murdoch, the proprietor of the newspapers, were raised last night by a backbench Labour MP.

In a letter to Mr Biffen, released to the press, Mr Phillip Whitehead, MP for Derby, North, asked whether the new independent national director was appointed directly by Mr Murdoch, "without consultation with, or prior warning to, the existing national directors."

Last Tuesday Sir Edward Pickering and Sir Denis Hamill were appointed additional independent national directors to the board of Times Newspaper Holdings Ltd.

Mr Whitehead also asked Mr Biffen whether only one nominee was considered as editor of *The Sunday Times*. He remarked that Mr Mur-

doch's undertaking to journalists of *The Sunday Times* included the following: "The reconstructed board of Times Newspaper Holdings Ltd will consider all candidates for the independent national directorship of any of the Times Newspapers' titles and will make the nomination to the national directors."

In the case of *The Times*, Mr Whitehead asked the independent national directors considered "the preferences expressed internally between three candidates, of whom Mr Harold Evans was one."

Mr Whitehead concludes by asking Mr Biffen: "From this beginning do you consider that the independent national directors are exercising, will be exercising, or further attrition, the role assigned to them in the undertakings you gave to the House?"

Mr Whitehead started to speak about the editors' appointments during Prime Minister's question time. But the Speaker ruled him out of order.

Mr Whitehead said that Sir David MacNee, the Metropolitan Police Commissioner, and chief constables were not responding urgently enough to complaints about incidents. The difficulty for the police is in deciding whether attacks have a racialist motive or are part of general hooliganism. Some cases are obviously racially motivated, as when slogans are raised. How far the attacks are deliberately organized by right wing extremist groups is more difficult to assess.

Part of Mr Whitehead's speech was devoted to the need to maintain confidence in the police and to discourage vigilante groups who feel they cannot rely on the police. He said it was important to report racialist attacks to the police and to cooperate with them.

Some black and Asian organizations feel that the police do not respond urgently enough to complaints about incidents. The difficulty for the police is in deciding whether attacks have a racialist motive or are part of general hooliganism. Some cases are obviously racially motivated, as when slogans are raised. How far the attacks are deliberately organized by right wing extremist groups is more difficult to assess.

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No council action on widow who is squatter

Mrs Jean Lawrence, a widow, of Melrose Walk, Basingstoke, Hampshire, who became a squatter in her own home to get it back from a family who refused to leave, will not be prosecuted for unlawful eviction, Basingstoke council decided yesterday.

The family, the Goodalls, could face prosecution for an alleged offence under the Homeless Persons Act. Mr David Goodall, the woman who lives with him and their daughter Sharon, aged nine, rented the house for three months when Mrs Lawrence went to the United States.

They refused to leave when she returned, so she let herself in when they went out and became a squatter.

At Winchester County Court today the Goodalls are seeking an injunction and damages against Mrs Lawrence for alleged breaches of the Protection from Eviction Act. Mrs Lawrence will seek a possession order at the same hearing.

A ride of high pressure over central Britain will maintain a cold NE airstream over 5 parts. Forecasts for 6 am to midnight:

London, SE, central S, E, central N, NE England, East Midlands, Channel Islands: Mostly cloudy, outbreaks of mainly light sleet or snow; wind NE, moderate or fresh; max temp 2° to 4° (37° to 39° F).

Midlands, SW, England, Aberdeen: Frost early and late, rather cloudy, some bright intervals, a few light wintry showers; wind NE, moderate or fresh; max temp 3° to 5° (37° to 41° F).

In each case the raiders had shortguns, but no shots were fired and no one was hurt.

Most of the petrol filling stations in Jersey closed yesterday for an indefinite period over a pay dispute. Only essential services are being supplied with fuel.

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les waits
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ANYTHING TO DO WITH MONEY ASK BARCLAYS FIRST

HOME NEWS

Water industry employers stick to 10% offer despite workers' protest votes and strike demands

By David Felton
Labour Reporter

Water industry employers last night maintained a firm stance in the face of votes at union conferences to reject their 10 per cent pay offer, and indicated that the offer would not be improved even if the unions call for a national strike.

Several area conferences of delegates representing members of the two main unions in the industry, the General and Municipal Workers' Union (GMWU) and the National Union of Public Employees (Nupe), yesterday voted for rejection of the offer. The outcome of a meeting next Wednesday of the unions' negotiating body.

The council said the 10 per cent offer was final and would not be improved. It is understood that the employers' negotiators are due to meet early next week to discuss the situation.

The employers have been making contingency plans for dealing with a national strike, the council said. It maintained that voting in the regions had not been as solid as had been reported and that the votes at the large Becton sewerage works, in London, were 37 per cent in favour of accepting the offer, although the Nupe regional conference which covers the works voted by a substantial majority to reject it.

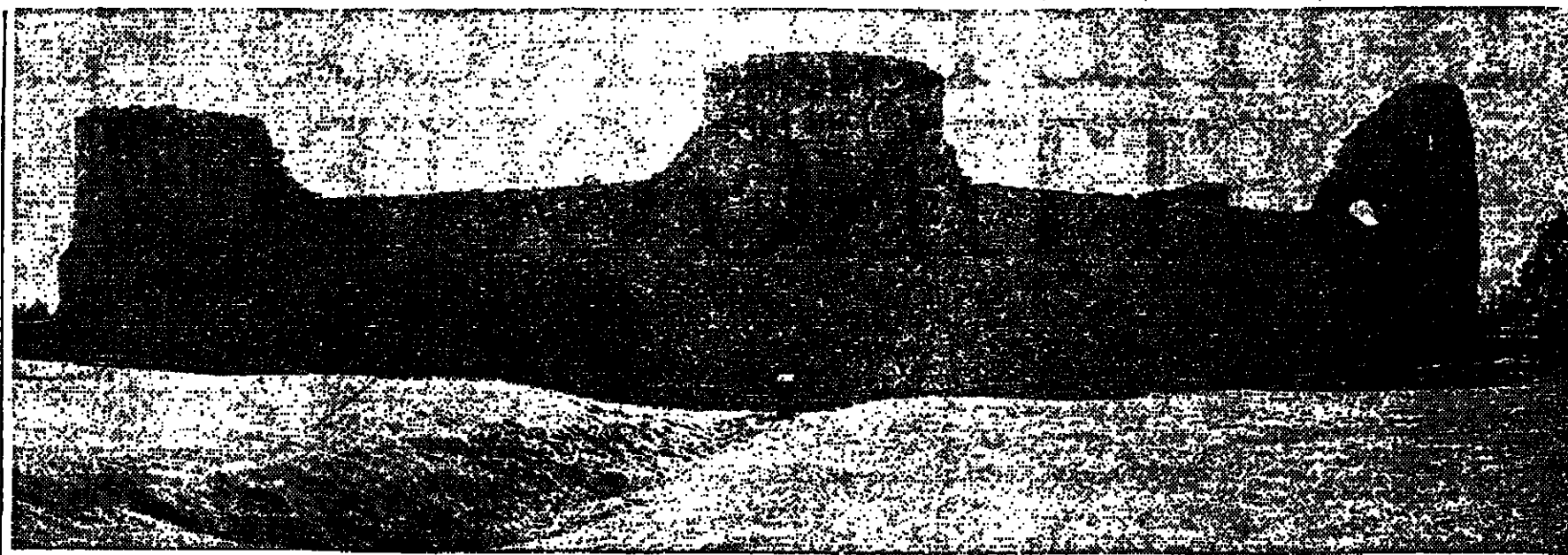
The offer, under which average weekly earnings in the industry would rise from £108.45 to £119.41, has been rejected by a majority of workers in the industry. Several conferences have called for industrial action with varying degrees of militancy.

The largest region in the GMWU, which covers 5,500 water workers in the Midlands, yesterday returned a vote for rejection, and in Liverpool delegates representing 1,000 workers also rejected the offer and recommended that a national strike should start from March 2.

Mr William Smith, the union's Liverpool regional officer, said after the meeting, which voted overwhelmingly for rejection: "The men are very angry and frustrated. They feel the offer is provocative, and does not mean much of an increase above the original 7.9 per cent."

Mr Rodney Neale, the regional officer in Birmingham, whose area covers workers in the Severn-Trent, Anglian and Thames water authorities, said after his delegate conference that water workers in the region were prepared to strike.

Mr Edmund Newall, the GMWU's chief negotiator for the industry, last night appealed to the employers to increase the offer to avoid a strike.



Recruiting drive: The Government, under pressure from critics who claim that it is neglecting its responsibilities, has promised shortly to begin recruiting caretakers and maintenance staff for the historic buildings and ancient monuments in its care (our Planning Reporter writes).

Recent correspondence in *The Times* was provoked by a letter from Dr A. J. Taylor, who wrote that some famous ruins were closed to the public or left unguarded because of the freeze on Civil Service recruitment. He also expressed concern at the depletion of the Department of the Environment's skilled maintenance staff, and at the possibility of the Government's transferring monuments to the care of local authorities or private enterprise.

The department says that, of more than 400 historic properties for which it is directly responsible, only about 20 are closed to the public. But they include such well known attractions as Chiswick House, Darnmouth Castle, Pevensey Castle (above), Furness Abbey, in Cumbria, and St Augustine's Abbey, Canterbury.

Mr Michael Heseltine, Secretary of State for the Environment, recently assured *The Times* that he needed to recruit more caretaking staff was recognized. A department official insisted that all historic buildings and monuments would be open to the public by the time the tourist season began in April.

It was not the policy of the department to approach anyone else about taking on responsibility for its properties, the official added. Ap-
proaches from local authorities, other bodies or individuals would be considered, "but we are not going around hawking them."

Public outcry would almost certainly prevent the hiving off of such outstanding monuments as Fountains Abbey or the site of the Battle of Hastings, but concern has been expressed for more humble relics. One such is the fifteenth-century Widdington tithe barn in Essex, which was taken into department guardianship about ten years ago.

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Rippon call to spend on public works

By Our Political Reporter

Unemployment is costing the nation £8,000m a year, money that would better be spent on orders to benefit the hard-pressed building and other private sector industries, Mr Geoffrey Rippon, the Conservative former Cabinet minister, said last night.

Arguing for what amounts to a public works programme, he told the Tory Reform Group at Oxford University that the result would be the creation of real jobs and real wealth.

Quoting Treasury figures, Mr Rippon said that each extra unemployed man cost the state £3,500 a year in lost revenue and in benefits, free school meals and milk.

"This suggests that the rise of 900,000 in unemployed adults in the last year has cost around £3,100m," he said, "and this figure takes no account of other costs, such as redundancy payments, loss of direct taxes, or the cost of special employment measures or of the productivity lost to the nation."

He added that a set of Treasury figures had suggested that one unemployed man cost the country £4,835 a year and a married man with two children £6,006. The very lowest figure that could be used was the £2,400m paid in direct benefits compared with only £333m in 1973-74.

Mr Rippon also said that Sir Geoffrey Howe, the Chancellor, in his Budget considerations would have to give higher priority to regional policies as part of the general strategy.

Campaigner loses seat on LT board

By Our Local Government Correspondent

Mr Leslie Chapman, the campaigner against bureaucracy who was given the task of exposing waste in the corridors of London Transport, has lost the seat on the LT Board to which he was appointed by Sir Horace Cutler, leader of the Greater London Council.

Mr Chapman, a former civil servant, who wrote the book, *Your Disobedient Servant*, has been told that his unpaid post is to be terminated.

Since his appointment two years ago he has criticized the board and has complained about London Transport's performance.

An independent report into London Transport last summer supported many of his complaints. Since then Mr Ralph Bennett, the chairman, has been replaced.

Mr Chapman said yesterday that he felt he was being pushed aside, and that he had been accused of disloyalty. "I do not mind going on the board," he said, "but I do not want to stay on. I only stayed on because Sir Horace asked me to. I have been asked, Sir Horace told me it was not intended to keep my appointment after March."

Sir Horace said that Mr Chapman had not been on the board for his two-year term had ended in January. "He was put there to crack the nut and he did it."

10-mile oil slick seen

By John Chartres

The first two British railway engines to be named after drivers departed from Euston, London, yesterday five minutes apart, the first to Manchester, the second to Holyhead.

Both the Class 896 electric locomotives were named after men who had been awarded the ultimate civilian decoration for gallantry, the George Cross.

The locomotive hauling the 12.55 Euston to Manchester train was named in chrome letters on a scarlet background: "Driver John Axon, GC." That hauling the 13.00 Euston to Holyhead bore a similar name plate inscribed "Driver Wallace Oakes, GC."

Minister asks water bodies to cut charges

By Christopher Warman

Local Government Correspondent

The nine water authorities in England have been asked by the Government to cut their charges after an independent inquiry ordered by Mr Michael Heseltine, Secretary of State for the Environment.

Charges which showed increases ranging from 14 to 28 per cent under the original budgets are to be reduced to 12 to 19 per cent if the authorities follow the advice given by Mr Tom King, Minister for Local Government.

The inquiry by three firms of chartered accountants was announced by the Prime Minister 10 days ago because of "growing resentment" at the size of the proposed increases.

The consultants' brief was to establish whether there was scope to reduce the levels. The chairman of the authorities have seen ministers this week to discuss the findings, and meetings of each authority have

been arranged to consider the request.

The Southern Water Authority, which had proposed a 16.2 per cent increase, yesterday agreed to reduce it to 12.6 per cent, compared with the Government's request of 12 per cent.

It names the largest authority, had proposed an increase of 14 per cent, the lowest among the nine. It has been asked to reduce charges by 1.5 per cent, which means a cut of £5m, and also to reduce its external borrowing requirement by £10m.

The authority is to meet next week to discuss the request against a background of resentment at what some members and officials see as unwarranted interference by the Government, particularly in the belief that the Government has been drawn up as tightly as possible.

Among the other authorities, Wessex is thought to have been told to cut charges by 4 per cent from a proposed 15 per cent.

Letters that upset a judge return to Glasgow

From Ronald Faux

Glasgow

Some of the 500 "hundreds" letters sent by Madeleine Smith to the French lover she was accused of murdering 124 years ago were returned yesterday to Glasgow, the city where they were posted.

The letters, comprehensively upset the judge at Miss Smith's trial. He said they displayed "an unbalanced passion as perhaps ever appeared in a court of justice."

Lord Hope, the Lord Justice-Clerk, went on to rail the "tame state of mind that lay behind such letters; 'certainly such a sentence was probably never before penned by a female to a man', he told the jury.

About 200 of the letters were presented on behalf of the Scottish Record Office, in Edinburgh, to the Mitchell Library, in Glasgow. Copies will be on show with some originals and the bottles or arsenic and other artifacts from the trial.

The murder took place in 1857 when the prosecution quoted 66 of the letters in an attempt to prove Miss Smith guilty; the defence produced three letters to demonstrate her innocence. The jury found the charge not proven.

Most of the letters will be held in a vault because of their fragile condition but duplicates

will be available. Dr Isobel Barrow, of the Scottish Record Office, had the daunting task of reassembling them.

"They were extremely boring, tedious and repetitive. The English were very bad," she said. "I suppose moral standards have changed since the days when they were written."

Not only were they boring, but Miss Smith also followed the Victorian style of over-laying lines of writing diagonally on the page, which made them difficult to read. None of them was dated and many were extremely long. Dr Barrow's criticism gave an impression that Pierre Emile L'Angellier, the lover, might well have died of boredom.

The Mitchell Library already holds 13 of the Smith letters. An official of the Scottish Record Office described her as a compulsive letter writer. The correspondence had been discovered by the sheriff officers in M L'Angellier's lodgings about a week after his death.

Sixty-one of the letters recorded by the Crown Office and not produced at the trial are missing and no one can say which particular sentence upset the judge or whether Miss Smith committed the murder.

She was 21 the time of the trial and lived to the age of 93, her lips sealed

Union taken to court in TV dispute

By Michael Horsnell

An independent group of television producers is taking the Association of Cinematograph, Television and Allied Technicians (ACTT) to the High Court today over the blocking of a £500,000 series of programmes.

Madmor Productions Ltd is seeking an injunction against the union in an attempt to force it to lift its ban on *Unforgettable*, a 13-part light entertainment series sold last year to nine independent stations.

After four programmes had been transmitted on Thames Television, ACTT blocked the rest of the series earlier this month because, it contended, the series should have been made in-house by permanent staff.

The consequences of the dispute could be far-reaching in their effect on independent producers. The Channel 4 will depend on independent productions for a large part of its output.

On February 9 the television branch committee of ACTT blocked the series over the producers' refusal to accept the union's demand for a 10 per cent increase in its fee.

"Prior to the setting up of Madmor Productions and during the making of the programmes we have had regular consultations with all the various unions that have been involved, including ACTT," the producers said.

Having embarked on this series with the correct union members and using approved broadcast equipment, we find their objections difficult to understand.

The committee, which was set up last February, brought out a discussion document in December outlining the many difficulties confronting the university on the non-medical side. It estimated that over the next two years the university would lose about 10 per cent of its students and 15 to 20 per cent, or about £20m, of its income.

The crisis in the committee's continued progress was averted yesterday after Lord Annan, appearing before an emergency meeting of the committee to "sort out some of the misunderstandings on timing" which had arisen at Tuesday's meeting.

In an interview with *The Times* yesterday, arranged by Lord Annan's request to clarify the situation, he said that he had complete confidence in the work of the committee. It had produced a first-class interim report, and he looked forward to receiving its final report.

There was no question of the committee being wound up, of his dismissing Sir Peter, or of Sir Peter resigning. Those rumours were despicable and pure mischief-making.

Lord Annan assured the committee that it was at liberty to do what it liked, when he liked, although he hoped that the report could be produced as early as possible. "Some are moving at a remorseless pace."

Sir Peter, who was in the interview, agreed that there was now much greater urgency for the committee to produce an early report. He did not predict how long it would take.

Annan denial on disbandment of inquiry into London colleges

By Diana Geddes

Education Correspondent

Reports that the Swinerton-Dyer committee on the rationalization of London University's non-medical colleges was about to be wound up or at least "muzzled" were firmly denied yesterday by Lord Annan, the university's vice-chancellor.

The rumours started after Lord Annan told a meeting of the committee on Tuesday, chaired by Sir Peter Swinerton-Dyer, Vice-Chancellor of Cambridge University, that events were moving at such a pace that the committee should seek to produce a report by July instead of the end of this year as had been planned.

Several committee members felt that the July deadline made it impossible for the committee to continue as it would be unable to come to proper decisions about the university's future academic organization within that time. All the committee members except the chairman are academics at the university.

It is known that Sir Peter seriously considered resigning as chairman.

Lord Annan has been under considerable pressure from heads of several colleges to disband the committee. They argued that the committee was not doing its job.

Some colleges would be threatened by closure, amalgamation or the loss of a department, as a result of the committee's recommendations.

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Oxford proposing an extra £400 for overseas students

By Our Education Correspondent

Oxford is proposing to charge overseas students next year £400 more than the Government's new recommended minimum fees, which are 20 to 25 per cent above this year's levels.

Under the scale proposed by the university's council all overseas students starting courses in the autumn would have to pay £2,900 for arts, £4,000 for science and £6,400 for the clinical year of medicine. Students who began last autumn would pay only the recommended minimum of £2,500, £3,600, and £6,000.

The proposals have to be approved by Congregation, the body representing all Oxford dons, at its meeting on March 10.

Last year Congregation caused a great stir when it rejected a council recommendation to charge overseas students £200 above the Government's recommended minima for 1980-81.

However, last year nearly all universities decided to charge the minimum fees, for fear of losing too many students, and this year many are considering charging above the minimum in an attempt to boost their income or reduce losses.

Cambridge led the way when its council decided last week to recommend fee increases of 400 above the minima. Unlike the Oxford proposal, that new high fee will apply to all overseas students who started courses after September, 1980.

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Technicians fined for private tests under NHS

By Our Medical Correspondent

Two technicians were fined by magistrates at Hendon, London, yesterday for carrying out tests at Edgeware General Hospital laboratory for private medical sources while falsely representing that they were being done for the National Health Service.

Derek Dickinson, aged 47, former senior scientific officer, of Richmond Gardens, Harrow Weald, was fined £750 with £45 costs and Italia Sarah Franklin, aged 47, laboratory technician, of Barham Avenue, Elstree, Hertfordshire, was fined £500 with £45 costs.

Both admitted that between July, 1979, and January, 1980, at the Edgeware Hospital they dishonestly obtained services worth about £571 from the health service by deception in respect of the analysis of specimens, by falsely representing that the specimens were submitted under the NHS.

Mr Colin Barr, for the prosecution, said that under the health service a doctor or hospital department wanting a specimen analysed could have it done, the forms being completed at the laboratory, the results sent, and no charge made. The facilities were also available privately, for which a charge was made.

Mr Alan Isaacs, for the defence, said there was no bar to the number of private tests that could be carried out, but his clients had overstepped the mark when they failed to complete the forms for the standard fee of £2 to £3. About 50,000 tests were carried out each year.

The Equal Opportunities Commission yesterday protested at the Government's decision to divert money from the maternity pay fund to the declining redundancy fund.

The decision showed that money must be available to improve maternity benefits, contrary to recent government statements, the commission said.

The Government intends to divert the proportion of employers' contributions now paid to the maternity pay fund to the redundancy fund, whose surplus of £144m last April has been rapidly reduced by rising redundancies.

But the Department of Employment has emphasized that it was a temporary measure

In brief

Girl is found dead after radio search

The body of Zoey Thompson, aged three, who disappeared from her home at Cove Road, Dalton, Huddersfield, on Wednesday, was found yesterday in a portable cabin a mile from her house. The girl wandered off as her mother was hanging out washing.

Three hundred users of Citizens' band radios, which are illegal in Britain, joined in the search after picking up an emergency call about the missing child from a Leeds operator.

Poison case defence to call no evidence

Rosie Swale, the yachtswoman, and her friend, Tracy Stamp, will not go into the witness box to give evidence in their trial on a poison case, a jury was told at Winchester Crown Court yesterday.

Miss Stamp, aged 45, and Mrs Swale, aged 31, deny administering poison to Miss Stamp's former friend, Mr Keith Vincent. Defence counsel said they would be calling no evidence and the trial continues today.

MPs buy British

A £50,000 order was placed yesterday with Wedgwood, Stoke-on-Trent, for House of Commons crockery. Mr Charles Irving, Conservative MP for Chesham and Caversham, was in the chair when the order was announced.

"We are determined wherever possible always to buy British," he said.

Bank robber jailed

Peter Cook, aged 38, a mechanic of Duxton, Northampton, was jailed for 12 years at Northampton Crown court yesterday after being found guilty of robbery of £16,000 from a bank. He was given a five-year concurrent sentence for possessing a firearm.

Cashier stole £3,473

Miss Karen Marley, aged 21, a cashier, was fined £100 by Marlborough Street magistrates in London yesterday for stealing £3,473 from the till of her employer, Garrard's, the jewellers. She admitted the charge.

Dublin fire toll rises

The death toll in the Dublin discotheque fire rose to 46 yesterday when Miss Josephine Glynn, aged 24, of Coolock, Dublin, died in hospital. Several of the 72 people injured in the blaze are in a serious condition.

21 held in drugs inquiry

Customs officers have arrested 21 people in London and the Home Counties for questioning about the suspected smuggling of drugs through Heathrow airport, London.

[illegible]

US BUDGET

Mr Reagan calls for economic renewal

This plan is aimed at reducing the growth in Government spending and raising, reforming and eliminating regulations which are unnecessary and counterproductive, and encouraging a consistent monetary policy aimed at maintaining the value of the currency.

If enacted in full, our programme can help America create 15 million new jobs, nearly three million more than we would without these measures. It will also help us gain control of inflation.

It is important to note that we are only reducing the rate of increase in taxing and spending. We are not attempting to cut either spending or taxing to a level below that which we presently have.

This plan will get our economy moving again, increase productivity growth, and thus create the jobs our people must have.

I am asking you to join me in reducing direct federal spending by \$41.4 billion in fiscal year 1982, along with \$7.7 billion in user fees and off-budget savings, for a total savings of \$49.1 billion. This will still allow an increase of \$40.8 billion over 1981 spending.

I know that exaggerated and inaccurate stories about these cuts have disturbed many people, particularly those dependent on grants and benefit programmes for their basic needs.

Some of you have heard from constituents afraid that special security cheques, for example, might be taken from them. I assure the fear these unfounded stories have caused and welcome this opportunity to set things straight.

We will continue to fulfil the obligations that spring from our national conscience.

Those who through no fault of their own must depend on the rest of us—the poverty stricken, the disabled, the elderly—all those with true need can rest assured that the social safety net of programmes they depend on are exempt from any cuts.

The full retirement benefits of the more than 31 million social security recipients will be continued along with an annual cost of living increase. Medicare will not be cut, nor will supplemental income for the blind, aged and disabled. Funding will continue for veterans' pensions.

School breakfasts and lunches for the children of low-income families will continue as will nutrition and other special services for the ageing. There will be no cut in project, head-start or summer youth jobs.

All in all, nearly \$216 billion—providing help for tens of millions of Americans—will be fully funded. But government will not continue to subsidize individuals or particular business interests where real need cannot be demonstrated.

And while we will reduce some subsidies to regional and local governments, we will at the same time convert a number of categorical grant programmes into block grants to reduce wasteful administrative overheads and to give local government entities and states more flexibility and control.

We call for an end to duplication in federal programme and reform of those which are not cost-effective.

Already, some have protested there must be no reduction of aid to schools. Let me point out that federal aid to education amounts to only 8 per cent of total educational funding. For this the federal Government has insisted on a tremendously disproportionate share of control over our schools.

Whatever reductions we've proposed that 8 per cent will amount to very little of the total cost of education. Let me point out that federal aid to education amounts to only 8 per cent of total educational funding. For this the federal Government has insisted on a tremendously disproportionate share of control over our schools.

Historically, the American people have supported by voluntary contributions more artistic and cultural activities than all the other countries in the world put together.

Subsidies for industry to be cut back

I wholeheartedly support this approach and believe Americans will continue their generosity. Therefore, I am proposing a savings of \$58m in the federal subsidies now going to the arts and humanities.

There are a number of subsidies to business and industry I believe are unnecessary: not because the activities being subsidized are not of value but because the market place contains incentives enough to warrant continuing these activities without a government subsidy.

One such subsidy is the Department of Energy's synthetic fuels programme. I believe this programme, which has cost \$2.2 billion by having to private industry the building of plants to make liquid or gas fuel from coal.

We are asking that another major business incentive, the Import-Export Bank Loan Authority, be reduced by one-third in 1982. We are doing this because the primary beneficiaries of taxpayer funds in this case are the exporting companies themselves—most of them profitable corporations.

And this brings me to a number of other lending programmes, in which government makes loans at interest rates as low as 2 per cent.

What has not been very well understood is that the Treasury Department has no money of its own. It has to go into the private market and borrow the money to provide these loans.

In this time of excessive interest rates, the Government finds itself paying interest several times as high as it receives from the borrowing agency. The taxpayers are subsidizing the interest rate and it just makes all other interest rates higher.

By terminating the Economic Development Administration we can save hundreds of millions of dollars in 1982 and billions more over the next several years.

There is a lack of consistent and convincing evidence that EDA and its regional commissions have been effective in creating new jobs. They have been effective in creating an array of planners, grantmen and professional middlemen.

We believe we can do better just by the expansion of the economy and the job creation which will come from our economic programme.

The food stamp programme will be restored to its original purpose, to assist those without resources who are abusing the programme.

President Reagan presented his economic proposals to Congress on Wednesday and called on Congress and nation to work together to restore the country's economic health (writes Patrick Brogan from Washington). "I have painted a grim picture," he said, "but I believe I have painted it accurately."

"It is within our power to change this picture and we can act in hope. There is nothing wrong with our internal strengths. There has been no breakdown in the human, technological and natural resources upon which the economy is built."

He said that his proposals were "based on this confidence in a

system that has never failed us, but which we have failed through a lack of confidence, and sometimes through a belief that we could fine-tune the economy."

In his peroration, the President said: "This, then is our proposal: America's new beginning: a programme for economic recovery. I do not want it to be simply the plan of my Administration. I am here tonight to ask you to join me in making it our plan."

"Together we can embark on this road, not to make things easy, but to make things better. Can we do the job? The answer is yes. But we must begin now. There is nothing wrong with America that we can't fix."

The President preparing to deliver his budget speech to Congress.

Despite this reduction, the programme will be budgeted for more than \$10 billion.

We will tighten welfare and give more attention to outside sources of income when determining the amount of welfare individuals are allowed. This plus strong and effective work requirements will save \$520m next year.

I stated a moment ago our intention to keep the school breakfast and lunch programme for those in true need. But by cutting back on meals for children of families who are not in true need, we will save \$1.6 billion in FY 1982.

Let me just touch on a few other areas which are typical of the kind of reductions we have included in this economic package.

The trade adjustment assistance programme provides benefits for workers who are unemployed when foreign imports replace the market for various American products causing shutdown of plants and layoff of workers. The purpose is to help these workers find jobs in growing sectors of our economy.

And yet, because these benefits are paid out on top of normal unemployment benefits, we are not paying greater benefits to those who lose their jobs because of foreign imports than to those who lose their jobs because of their freedom and neighbour who are laid off due to domestic competition.

Another must agree that this is unfair putting these two programmes on the same footing will save \$1.15 billion in just one year.

Earlier this morning, I mentioned changing categorical grants to states and local governments into block grants. We know of course that categorical grants are a burdened local and state government with a mass of federal regulations and federal paperwork.

Ineffective bureaucratic administrative overheads—all can be eliminated by shifting the authority to local and state government.

This will also consolidate programmes which are scattered throughout the federal bureaucracy. It will bring government closer to the people and will save \$2.9 billion over the next five years.

Our programme for economic renewal deals with a number of programmes which are not cost effective. An example is Medicare. Right now Washington provides the states with unlimited matching payments for their expenditures. At the same time, the states are required to match the federal Government's contribution.

We want to put a cap on how much the federal Government will contribute but at the same time allow the state much more flexibility in managing and structuring their programmes.

I know from our experience in California that such flexibility could have led to far more cost-effective reforms. This will bring a savings of \$1 billion next year.

It is important to note that we plan to continue it. We believe, however, that a reorganization of the federal Government's programmes can result in savings of a quarter of a billion dollars.

Coming down from space to the mailbox—the postal service has been consistently unable to live within its operating budget. It is still dependent on large federal subsidies.

We propose reducing these subsidies by \$632m in 1982 to press the postal service into becoming more effective in subsequent years, the savings will continue to add up.

The economic regulatory administration is the Department of Energy has programmes to force companies to convert to specific fuels. It has the authority to

administer a gas (petrol) rationing plan, and prior to deregulation it ran the oil price control programme.

With these and other regulations gone we can save several hundreds of millions of dollars over the next few years.

Now I'm sure there is one department you've been waiting for me to mention. That is the Department of Defense. It is the only department in our entire programme that will actually be increased over the present budgeted figure. But even here there was no exception.

The Department of Defense came up with a number of cuts which reduced the budget by \$1.6 billion in 1982 over 1981. These measures will save \$2.9 billion in 1982 over 1981 and a total of \$26.2 billion over the next five years.

The aim will be to provide the most effective defence for the lowest possible cost.

Since 1970 the Soviet Union has invested \$200 billion more in its military forces than we have. And we have a significant numerical advantage in strategic nuclear delivery systems. Tactical nuclear weapons, artillery and anti-aircraft defence. To allow this imbalance to continue is a threat to our national security.

Notwithstanding our economic straits, making the financial changes required now is less costly than waiting and attempting a crash programme several years from now.

Let me say a word here about the general problem of waste and fraud in the federal government. A government estimate indicated that fraud alone may account for as much as \$75 billion of federal expenditures for social programmes.

mic recovery is so urgently needed to begin to bring down inflation that I would ask you to act on this plan first and with great urgency. Then I pledge to you I will join you in the future to secure additional tax changes at an early date.

American society experienced a virtual explosion in government regulation during the past decade. Between 1970 and 1979, expenditures for the major regulatory agencies quadrupled, the number of pages published annually in the Federal Register tripled, and the number of pages in the Code of Federal Regulations increased by nearly two-thirds.

The result has been higher prices, higher unemployment and lower productivity growth. Over regulation causes small and independent businesses and women, as well as large businesses, to defer or eliminate plans for new products and services. They are responsible for most of our new jobs, those new jobs are not created.

We have no intention of dismantling the regulatory agencies—especially those necessary to protect the environment and to assure the public health and safety. However, we must come to grips with inefficient and burdensome regulations—eliminate those we can and reform those we must keep.

Second, I asked each member of my Cabinet to postpone the effective dates of the hundreds of regulations which have not yet been implemented. We must face the burden of existing regulations.

Third, in coordination with the task force, many of the agency heads have taken prompt action to review the regulations, existing and proposed, and to eliminate those which are unnecessary or redundant.

Finally, just yesterday, I signed an executive order that for the first time provides for effective and consistent management of the regulatory process.

Although much has been accomplished, this is only a beginning.

We will eliminate those regulations that are unproductive and unnecessary by executive order where possible and cooperate fully with you on those that require legislation.

The final aspect of our plan, requires a national monetary policy which does not allow money growth to increase consistently faster than the growth of goods and services. In order to curb inflation we need to slow the growth in our money supply.

We firmly recommit the independence of the Federal Reserve System and will do nothing to undermine that independence. We will consult regularly with the Federal Reserve Board on all aspects of our economic programme and will vigorously pursue budget policies that will make their job easier in reducing monetary growth.

A successful programme to achieve stable and moderate growth patterns in the money supply will keep both inflation and interest rates down and restore vigour to our financial institutions and markets.

We have our first beginning programme for economic recovery.

I do not want it to be simply the plan of my Administration. I am here tonight to ask you to join me in making it our plan. Together, we can embark on this road, not to make things easy, but to make things better.

Can we do the job? The answer is yes. But we must begin now. Our social, political and cultural, as well as our economic and environmental, can no longer absorb the repeated shocks that have been dealt them over the past decades.

We are in control here. There is nothing wrong with America that we can't fix. So I'm full of hope and optimism that we will see this new challenge met and that we will find those resources of national will to once again do the right thing.

I hope I made it plain that our approach has been even-handed—that only the programmes for the truly deserving needy remain untouched.

The question is, are we simply going to go down the same path we've gone down before—curving outwards in a permanent programme and another special programme there. I don't think that is what the American people expect of us. More than that, I don't think it is what they want. They are ready to return to the source of our strength.

The substance and prosperity of our nation is built by wages brought home from the factories, the mills, the farms and the shops. They are the money that provides for the 10,000 corners of America—the interest on the mortgage and the rent and the returns from their risk-taking. The production of America is the possession of those who build, serve, and create.

For too long now, we've removed from our people the decision as to how to dispose of what they've created. We've taken it from first principles. We must alter our course.

The balance of power of government must be used to provide revenues for legitimate government purposes. It must not be used to subsidize the economy or bring about social change.

Spending by government must be limited to those functions which are the proper province of government. We can no longer afford things simply because we think we can.

Next year we can reduce the budget by \$41.4 billion, without harm to government's legitimate purposes and to our responsibility to all who need our benevolence. This, plus the reduction in interest rates, will bring us an end to inflation.

If we do not do this, inflation will continue to rise and a growing tax burden will put an end to everything we believe in and to our dreams for the future. We will take time to put an end to inflation and to the work of millions of people who are unable to find buyers in the market.

We have an alternative to that. A programme for economic recovery, a programme that will balance the budget, put an end to inflation, and put an end to the work of millions of people who are unable to find buyers in the market.

There is the unjust discrimination against married couples if both are working and earning. There is the unfairness of the inheritance tax—especially to the family-owned farm and the family-owned business—and a number of others.

But our programme for economic recovery is so urgently needed to begin to bring down inflation that I would ask you to act on this plan first and with great urgency. Then I pledge to you I will join you in the future to secure additional tax changes at an early date.

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OVERSEAS

American commentary

By Patrick Brogan

President relies on TV mastery to overcome Congress

Washington

At intervals during last year's presidential election campaign, Republican candidates were asked how they could hope to cut taxes, increase defence spending, and balance the budget all at the same time.

Mr John Anderson said it was easy: "You do it with mirrors." He was then drummed out of the party and the candidate who insisted most convincingly that it could be done, without mirrors, in due course became President. He disclosed the secret yesterday: these contradictory objectives will be achieved by an act of collective faith.

The budget of 1982 was prepared by President Carter. It proposed expenditures of \$740,000m (£306,000m) or so, and Mr Reagan wants to cut that by \$50,000m. It is a very large sum, and because much of it will come from welfare spending there are already great cries of anguish.

But it is only 6.5 per cent of the budget.

Then Mr Reagan proposes to increase defence spending by \$10,000m and he wants to cut the federal taxes by 10 per cent. He does not devote too much time to working out what this might mean in lost revenue according to supply-side economists: cutting taxes promotes growth, employment and, therefore, tax revenue.

It also cuts unemployment and, therefore, federal spending on unemployment benefits, and thus anti-inflationary. The President thinks that the general national product will grow by 4 per cent next year, and every year for his term of office, as a result of the measures he announced yesterday.

In his message to Congress, the President explained how this remarkable turn-around will be achieved. "The programme we have developed," he said, "will break the cycle of inflation, unemployment and stagnation. It will revitalize economic growth, renew optimism and confidence, and rekindle the nation's entrepreneurial instincts and creativity."

This is the Reagan credo, a declaration of faith. If ever there was one. It denies all the realities, or what we have thought were the realities of American experience of the past half century, not to mention experience in other countries such as Britain.

At the moment, the supply-side are supremely confident. They have persuaded the President, and he is carrying out their prescriptions. The question is what will happen if their forecasts turn out to be wrong.

The first thing that will go wrong concerns Congress. Mr Reagan has a "mandate": he was elected with a big majority, and pulled along large numbers of conservative Representatives and Senators into Washington. He is immensely popular (so far), and he is carrying out their prescriptions. The question is what will happen if their forecasts turn out to be wrong.

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Mr Reagan has a "mandate": he was elected with a big majority

OVERSEAS

Mr Callaghan urges Westminster to endorse Canada plan

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr. James Callaghan, the former Labour Prime Minister, made a surprise intervention in the Commons yesterday in support of the Canadian Government's plan to patriate its constitution.

To shouts of disagreement, mainly from the Conservative backbenchers, Mr. Callaghan asked Mr. Francis Pym, Leader of the House of Commons, to give an undertaking that there would be no departure from the precedent that a request from the Federal Parliament of Canada over the constitutional dispute would be met in full by the British Government with a favourable recommendation to the House of Commons.

Mr. Pym, reflecting the concern of the British Government and its anxiety that this delicate issue should not damage relations between Ottawa and Westminster, said that no request had yet been received from Canada.

Adding that it could not yet be said with certainty that a request would be received, Mr. Pym said that he did not think a statement at this stage would be appropriate nor would it be welcomed by the Federal Government. It was necessary to wait until proceedings were concluded and if a request was then made, it would have to be dealt with.

But Mr. Callaghan's implication that any request from the Canadian Government should be rubber-stamped by Westminster met with an angry response from some Tory MPs.

Mr. John Biggs-Davison (Epping Forest) said it was no

service to Mr. Callaghan's cause to suggest that MPs had no option. They had a duty to consider what might or might not be put before them.

Another Conservative, Sir Bernard Braine (South-East Essex), said that Mr. Callaghan had made a surprising suggestion and that he was gravely misjudging the mood of the House if MPs were to be asked to approve a rubber-stamp such a request. It would be totally unprecedented without the full consent not only of the Federal Government but of the provincial governments of Canada.

Mr. Callaghan replied that all he had asked for was that the British Government should act in accordance with convention. Of course the Commons must consider what was put before it and the House could make a fool of itself if it wished and turn the request down.

The convention, however, was that the Government should place this legislation in front of the House, if it received such a request, together with favourable backing, asking the House that it should be passed.

Mr. Pym replied that the essential convention was a request from the Federal Parliament of Canada which had not yet been received. If a request was received, that would result in a situation of the utmost importance and possibly of difficulty.

The Government and the Commons would have to act in a highly responsible way and he was sure they would do that.

Mr. Braine insisted that it was not a matter to be pursued at present because it was still an open issue before the Canadian Parliament.

Patriation opposed by provincial premier

From John Best
Ottawa, Feb 19

Mr. Allan Blakeney, the Premier of Saskatchewan, today came out against the attempt by Mr. Pierre Trudeau to patriate the Canadian constitution from Britain.

Mr. Blakeney officially announced his opposition the day after four members of the Federal Parliament from Saskatchewan belonging to his New Democratic Party (NDP) rebelled and announced that they would vote against the measure in the House of Commons.

Mr. Edward Broadbent, the federal leader of the left-wing NDP, supports the Trudeau plan. The four rebels include Mr. Lorne Nystrom, the party whip and constitutional affairs critic. They contend that the central government's unilateral action on constitutional patriation is out of keeping with Canada's status as a federation.

Mr. Blakeney, a widely respected moderate in the constitutional debate now wracking Canada, had been assiduously wooed by the Liberal federal government to support the patriation proposal. Today, in Regina, however, Mr. Blakeney shed a press conference to put the record "with sorrow" is provincial government's

opposition. Altogether, eight of Canada's 10 provinces reject the federal plan.

Yesterday's defections among NDP Members of Parliament do not directly imperil Mr. Trudeau's grand design for getting the Canadian Parliament to patriate the British Constitution to give Canada total control over the British North America Act of 1867, Canada's constitution, after attaching an amending formula and a bill of rights.

The Liberals, with their absolute majority in the 282-member Commons and with the remainder of the 32-member NDP group, have more than enough voting strength to push through the measure against the Conservatives.

Nevertheless, the revolt deprives support of the west for the plan.

The Government regards NDP support as a form of surrogate Liberal backing for the constitutional package, which helps give it more legitimacy nationally.

Malta opposition warning in courts reform Bill

From Our Correspondent
Valletta, Feb 19

Mr. Eddie Fenech Adami, the leader of the opposition Nationalist Party, said yesterday that under the Maltese courts reform Bill citizens who could seek the protection of the courts when their most needed rights are infringed by the Government, would not find it difficult to lay people to grasp the implications of the new law, which it will no longer be possible for private citizens to sue the Government except on technical points but it is proving difficult even for lawyers the more one reads and reads it, the more numerous are the dangerous consequences that came to light.

He recalled that none of the constituted bodies and free trade unions (the General Workers Union forms a united front with the Government) had

accepted the invitation of Mr. Dom Mintoff, the Prime Minister, to take part in a broadcast discussion with him on the law.

They replied that they had already made known their serious objections and that the proper place for the discussion of the law was Parliament.

He added that even The Times of London had considered that it should write a leading article on the subject. As a result the Maltese Attorney General had written to the paper saying that the law would bring Malta's position in line with that of England because the courts would retain the right to consider whether the Government acted ultra vires. The only difference would be that there would be a written law.

Mr. Fenech Adami said this was not true because the law would now specify and therefore limit the cases when Government was ultra vires.

Pope attacks Asia's birth control policies

From Peter Bazellhurst
Cebu, Philippines, Feb 19

Asia's attempts to control one of the world's most frightening population explosion by encouraging the use of artificial contraception were vigorously condemned by the Pope today after he arrived in the city of Cebu, the site where Magellan was killed when he introduced the Philippines to Christianity 460 years ago.

He also made it clear that the church would refuse to lift its ban on marriages within the priesthood in spite of demands for a more liberal policy.

Declaring that the church "will never dilute or change her teachings on marriage and the family," the Pope told the Philippines, a country with an alarmingly high birth rate of 2.3 per cent, that people should be left to choose the size of their families without being subjected to economic or political coercion.

"Parenthood has a dignity all of its own, guaranteed by God himself. On my part, I owe it to my apostolic office to reaffirm as clearly as possible what the Church of Christ teaches in this respect, and to reiterate vigorously her condemnation of artificial contraception and abortion."

Like many other developing countries in Asia, the Philippines, with its large Roman Catholic population, is promoting a vigorous family planning programme which encourages sterilization, vasectomies and the distribution of free contraceptives.

In a veiled attack on Government policy, the Pope went on to attack forms of birth control, including recent moves in the West to legalize abortion.

"Whoever attempts to destroy human life in the womb, the mother not only violates the sacredness of a living, growing and developing human being, and thus opposes God, but also attacks society by undermining respect for human life, he said.

"If a person's right to life is violated at the moment in which he is first conceived in his mother's womb, an indirect blow is struck also at the whole moral order."

He also attacked the growing demands within the church for a more liberal policy on divorce and the ban on marriages within the priesthood.

China church move: The Vatican is considering recognizing the independent Catholic Church of China to try and restore the long-severed links with Chinese Catholics, Cardinal Agostino Casaroli, the Pope's Secretary of State, said today (Reuters reports from Cebu City).

He disclosed this to journalists while discussing the Pope's declaration last night that he was longing to visit China in the eyes of the Vatican. "But," he added, "what is illegitimate can be legitimized."

Before the much smaller independent Catholic church replaced the Roman Church in China numerous priests had been jailed or deported and church institutions closed.

Peking welcome: China's Catholic Church cautiously welcomed the Pope's unity call today but said formidable political problems barred any attempt to bring rapprochement. The Communist Government ignored the Pope's remarks which were not carried by any newspaper, radio or television report—UPI.

Zaire Cabinet is reshuffled

Paris, Feb 19.—President Mobutu of Zaire has reshuffled his government, naming Mr. Bomboko Lokumba as Minister for Foreign Affairs and International Cooperation, the Zaire news agency said in a report monitored here yesterday.

Mr. Bokoko, who served as Foreign Minister in the 1960s, was also named Deputy Prime Minister, a new post created in the reshuffle, the agency added. He was stripped of his powers in the early seventies, reportedly because of an alleged plot against the President—Agence France-Press.

The West Bank - 4: Frightening prospect of Jews shooting Jews in occupied territories

From Christopher Walker
Jerusalem, Feb 19

With Israel's general election less than five months away, it is already clear that the most divisive issue between Mr. Begin's ruling coalition and the opposition Labour Party will be the future of the occupied West Bank and its 220,000 Palestinian inhabitants.

Whereas the Government is committed to retaining Israeli military control over the whole area, the opposition—which polsters protest will win a landslide victory—is pledged to try to negotiate a territorial compromise with Jordan.

"We simply have a different picture, not so much of the Middle East, but of the state of Israel," explained Mr. Abba Eban, the former representative at the United Nations who is likely to be the next Israeli Foreign Minister. "For us, Israel should ensure its Jewish and demographic character, even at the price of a certain measure of compactness. We oppose the idea of permanent Israeli rule over 12 million Arabs in the West Bank and Gaza."

Although the opposition has refrained from revealing its exact negotiating stance, it is known that a future Labour Government would be willing to relinquish possession of only about 80 per cent of the 2,200 square miles of Arab land conquered in 1967.

What has not been explained is how this policy will be reconciled with Labour's commitment to carry out Israel's obligations under the faking Camp David framework, including the stalled deadlocked talks on providing autonomy for all West Bank Arabs.

Labour spokesmen have done little to disguise their pessimism about the prospects for the Camp David formula, and it is apparent that their energies will first be devoted to trying to open a dialogue with Jordan's King Hussein.

"Without a microscope, it is very hard to determine the difference in the position of the autonomy talks now and that when they started in 1975," Mr. Eban commented sarcastically.

Mr. Eban also stressed that in addition to retaining absolute sovereignty over the Arab sector of Jerusalem annexed in 1967 (under a previous Labour administration), a new Labour Government would also flatly refuse to bargain over the occupied Jordan valley or the Etzion block, a strategic

cluster of Jewish settlements situated between the Arab towns of Hebron and Bethlehem.

Despite veiled hints of secret talks in the past, Labour has so far failed to convince either Western diplomats or large numbers of Israeli citizens that King Hussein would agree to talk under such stringent conditions. The King recently told The Times that he would not negotiate over "an inch of Palestinian soil or an iota of Palestinian rights."

Reinforced by his new alliance with Iraq, the King has repeatedly stated that he will play no part in talks which rule out discussion of annexed East Jerusalem.

But Mr. Eban, one of the chief architects of Labour's so-called "Jordanian option" is undeterred. "It would be very surprising," he countered, "if there was an Israeli proposal which was acceptable—before negotiation—to anybody on the other side."

West Bank Arabs are also sceptical of the chances of Labour's policy achieving a breakthrough, noting that it rules out any dealings with the Palestinian Liberation Organisation (PLO). "They are dragging a dead horse which before it was buried was known as the

Allon Plan," said Mr. Elias Freij, the Bethlehem mayor who is regarded as one of the more moderate Palestinian leaders.

"Why should the King act as Israel's policeman when he has no hope of getting back East Jerusalem, and when Israel has brazenly declared its intention of annexing those parts of the West Bank it will not give back?"

Labour is also committed to reversing the Begin Government's policy of building settlements in areas of dense Arab population. But serious doubts and divisions exist inside the party about how to deal with the scores of existing settlements.

The settlers are well trained and armed; they are also equipped with armoured vehicles, communications equipment and they have the blessing of the Israeli Chief of Staff, General Eitan. "It is by no means certain that Labour could order a non-politicized Israeli army to pull the settlements down," explained Mr. Hersh Goodman, defence correspondent of the Jerusalem Post.

The frightening prospect of Jews shooting Jews in the West Bank led to much soul-searching at a recent series of private policy seminars staged by Labour's hierarchy. A senior

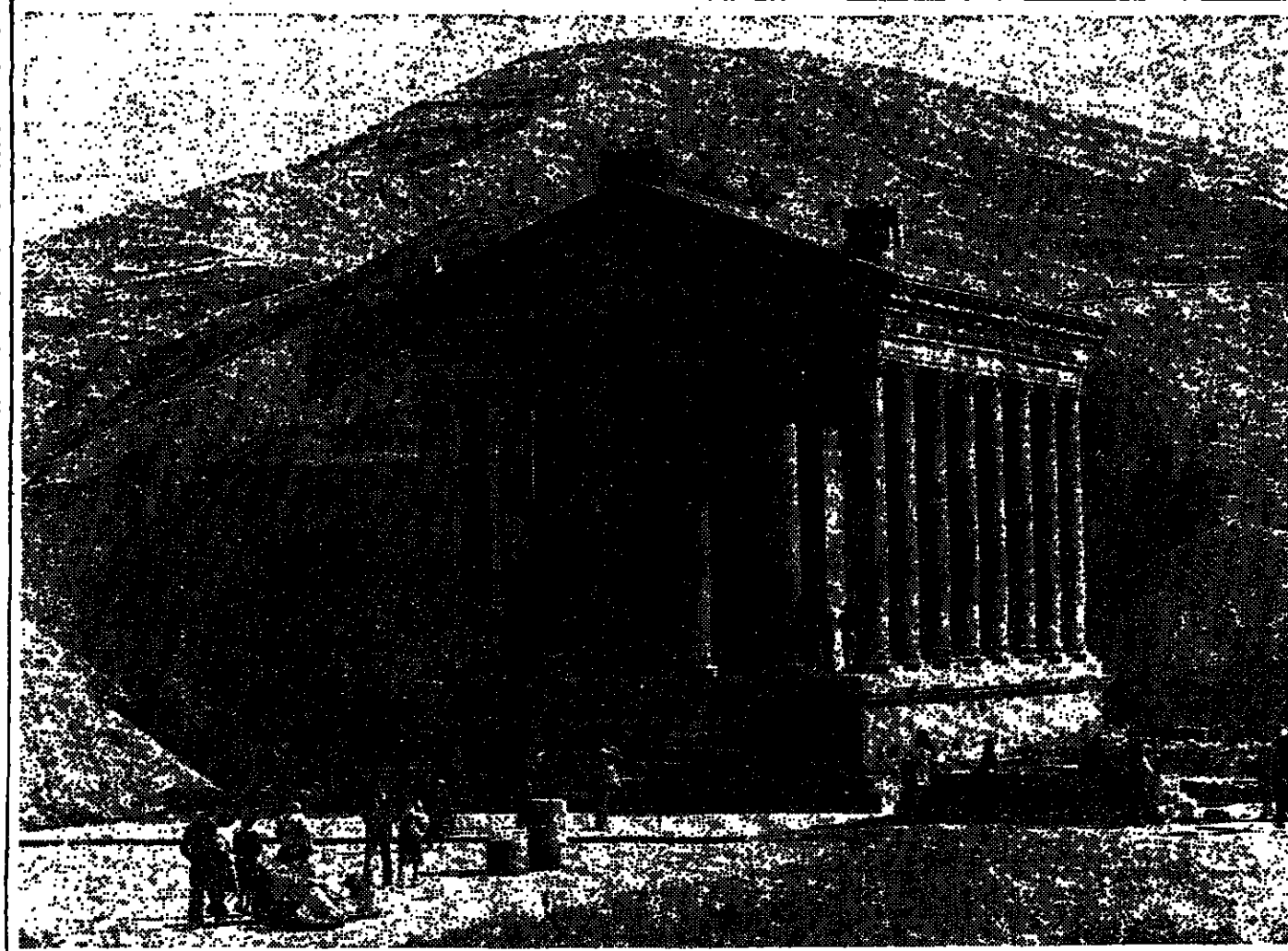
member told one of the forums that any attempt to remove the settlers would make the 1948 Alalena affair (when the new Israeli Army killed 16 members of the Irgun Jewish terrorists) look like "a tea party."

Initially a new Labour cabinet is expected to cut funds to those settlements of which it disapproves. But even this measure could be frustrated if the party is forced into a coalition with the National Religious Party.

Some political observers now believe that faced with the prospect of internal party divisions and a threat to the unity of Israel, a future Labour Government's West Bank policy could amount to more of a change in style than in substance.

It is this possibility that is now worrying many local Palestinians. "Labour is much more subtle," claimed Mrs. Raymond Tawil, a Palestinian activist from Ramallah who spent four months under house arrest during the previous Labour Government. "As Arabs, we are at least grateful to Mr. Begin for unmasking Israel's real intentions."

The first three parts of this series appeared on Tuesday, Wednesday and yesterday. The series will conclude on the feature page next week.



The temple of Garmy in Soviet Armenia has been restored to its full glory by Armenian architects. Built in the first century AD, it was destroyed by an earthquake in 1679.

Royal College of Psychiatrists offer to dissident

By Nicholas Timmins

The Royal College of Psychiatrists has taken the unusual step of offering membership to Dr. Semyon Gluzman, a Ukrainian dissident psychiatrist in exile in Siberia.

The invitation, on the basis that he is a "medical graduate of exceptional distinction," is a further attempt to bring rapprochement to the authorities in the Soviet Union to release Dr. Gluzman, aged 34, who has spent seven years in a labour camp and is serving a three-year exile in Siberia, due to end in May, 1982.

The college says his sentence is harsh even by Soviet standards and was given for opposing the "treatment" of mentally well individuals solely because of their views, although the charge was one of circulating a slanderous document on one particular case.

It is the first time the college has offered a membership to a dissident.

While in exile, the college says, Dr. Gluzman practised as a doctor and has to do mental tasks. When in the labour camp, he wrote a manual for dissidents together with Mr. Vladimir Bukovsky, a dissident now in the West, advising them on how to avoid being diagnosed mentally ill.

Moscow increases number of exit visas for Jews

From Michael Binyon
Moscow, Feb 19

After a virtual ban this year on the emigration of Jews, the Soviet authorities have unexpectedly begun granting a large number of exit visas. According to Jewish sources up to 10 times the usual number have received visas in the past three weeks, and some who have been waiting for years have suddenly been told they may leave.

The exodus may be only temporary, and it is not clear whether it is confined to Moscow or represents a general trend throughout the country. There are reports that two weeks ago on some days as many as 100 people were granted visas, which would suggest a total of about 1,500 to 2,000 for the month. This compares with a total of about 21,000 for the whole of 1980.

The increase in the number of exit visas being granted coincides with the release of Mr. Josef Manasterich, the last man to be freed of a group of Jews which tried to hijack a Soviet aircraft 11 years ago.

He arrived yesterday in Vienna, after being released from a labour camp more than a year before the end of the sentence.

Western observers are cautious about attributing the increase in emigration to any single cause. But the most likely, and the reason for the clemency to Mr. Manasterich, is the Helsinki accords review conference in Madrid, at which the Soviet record in human rights and emigration is being discussed.

It has also been suggested that since Jewish emigration is so closely linked with Soviet policy towards the United States, and senatorial attitudes to the Russians, the increase was planned as a good-will gesture to coincide with the installation of Mr. Ronald Reagan as President.

Although it is now clear to the Russians that the Republican Administration is not likely to be impressed by such gestures, it takes the Soviet bureaucracy some time to switch policies.

The party congress, which opens here on Monday, is probably also an influential factor. Some 5,000 delegates will come from all over the country and from abroad. As before the summer Olympics, the Russians are probably anxious to rid the capital of potential trouble makers, and suggest to applicants that they may be allowed to leave if they do not cause problems.

Russia objects to postmark on Israel mail

From Moshe Brilliant
Tel Aviv, Feb 19

The Soviet Post Office this month refused to accept about 1,000 items from Israel, apparently because it disapproved of a postmark containing an appeal for contributions to the Israel Security Fund.

The first 250 rejected letters returned to Israel from Moscow on February 5 and further packets followed in the next fortnight.

No explanation was given, but the Soviet addresses on the rejected mail were crossed out and arrows pointed to the postmark containing the appeal in Hebrew and the Israeli Army insignia, a sword and an olive branch. The Israelis this week removed the postmark from their electronic sorting machines.

Mr. Fraser won the election in December, 1978, with a record majority in the House of Representatives and he has subsequently won two further elections.

Sir John, a statesman, however, made him a vilified figure in public life and his presence at official functions was enough to provoke crowds into displaying open hostility. A huge police cordon was required when he appeared in public and the Governor-General was frequently pecked with eggs and paint.

In February, 1978, he was appointed Australia's representative in UNESCO, based in Paris. But public reaction was so strong in Australia that he held the position for only two days. He and his wife then bought a house in England.

In Canberra yesterday, Sir John said that he hoped to return to Australia to live. "I am going back to England after a very pleasant private holiday in Sydney. But later on we will be arranging to come back and settle permanently in Sydney."

"We have a home in Surrey and we will have to think about matters of timing, but we have no need to decide this at this stage."

Sir John said he had had a "sober" time as the guest of Mr. Fraser but the main purpose of his Canberra visit was to study archives relating to his personal papers.

"Other" interesting matters have also come up for thought and attention," he said. The couple are due to return to England later this month. So far there has been no demonstration against their presence in Australia.

Former Uganda chief justice gets Hongkong post

From Our Correspondent
Hongkong, Feb 19

The former Ugandan Chief Justice in the 101 Amda area is now working as a suburban agnate in Hongkong. Mr. Muhammad Said, who had been appointed High Court Justice in Uganda in 1974, joined Hongkong bench last month.

He himself reported the appointment on Hongkong television last night. Admitting that it was "quite step down to work as a magistrate after having been a chief justice," Mr. Said said that he took up the job "because it gave me a chance to start my judicial career afresh."

Syrian leader urged to let young Jewish women emigrate

From Robert Fisk
Damascus, Feb 19

The leader of Syria's small, but culturally unique Jewish community today appealed to President Assad to allow more than 100 Jewish girls to leave the country in order to marry abroad.

In an interview with The Times, Mr. Salim Tash, president of the Jewish Community Council in Damascus, pleaded with the President to ease the restrictions on emigration from Syria so that the girls, all aged between 20 and 25, could travel to America or Europe to find husbands.

The sensitive issue of Jewish emigration from Syria is a fraught and highly controversial one for President Assad's government. Jewish organizations abroad—and especially Israelis—claim that the 5,000 Jews of Syria are effectively held as hostages by the Damascus regime, and virtually forbidden to travel abroad for fear that they will go to Israel.

The Syrian government denies this and claims that Jews live with the same rights and restrictions as any other Syrian citizens. When the President per-

mitted 12 Jewish girls to emigrate to America two years ago it was a major concession by the government.

Mr. Tash, an elderly, grey-haired Jew with a pencil-thin mustache and a long, grey overcoat, spoke slowly and with emotion during the interview, which took place in the staff room of a Jewish school behind the Damascus bazaar, and in the magnificent, chandelied synagogue of El Ferej, near the Omayyad mosque.

As we walked through the narrow, muddy lanes of the old Jewish quarter in company with the Chief Rabbi, Mr. Ibrahim Hamra, Jews of all ages greeted the two religious leaders, speaking always in Arabic, because Hebrew is used here only for prayers and religious readings.

Nevertheless, the interview with Mr. Tash was an occasionally fragile dialogue, enlivened only by his extraordinary bursts of humour.

Three Syrian government officials, two from the Ministry of Education and one from the Ministry of Information, were present throughout the conversation, and Mr. Tash often

adopted a gentle, almost elliptical pattern of speech which sometimes produced opaque answers to somewhat pointed questions.

He said repeatedly that President Assad had done much for Syria's Jewish community and that his correlative rights with all other citizens. "We are Syrian Arab citizens," he said. "We were born in Syria. I am very jealous about my Syrian nationality. We have all our rights. There used to be restrictions upon us until five years ago, but they have been lifted thanks to President Assad."

"But we have one problem which is for us the problem of problems. We have between 100 and 150 girls between 20 and 25 years old. They want to get married, but unhappily because of housing crisis here and the high cost of living has made marriage very difficult."

"As you know, young men need money to get married and our young men prefer girls of between 18 and 20. The only solution, which we think about day and night, is that the older girls should be able to travel

abroad to have a better chance of marriage. I would like to see some time ago, his Excellency the President gave his approval for 12 girls to leave for the United States. They went there and were all married. That is why the girls who are 25 are always asking the authorities, and especially the President, to open the door for them so that they can find a better future."

"We hope your visit will be of help to us. I would like to thank the President for all he has done for us as a community, and for the whole country. We do not complain about anything except this problem. But deeds are not evaluated until they have been completed, and we are demanding that these girls be given a good future."

There was a silence in the schoolroom, which Mr. Tash broke by bursting into laughter. He turned to the woman ministry official who was acting as interpreter and suddenly raised her hand to his lips. "Even I am unmarried," he said to her. "So perhaps this lady will marry me."

Brittle laughter echoed around the crowded room, and

it was Mr. Tash who gently stilled it. He nodded towards a young Jewish woman, a teacher in the school, who was sitting on the far side of the room. She was oval-faced and wore a blue cardigan and jeans. "She wants to go and get married."

The woman blushed and murmured: "I have an uncle in Canada." Had she asked to go and see him? "Yes," she said. Had she been given permission? She smiled and shook her head.

The Syrian government is well aware of the political implications of any request for Jewish emigration. Mr. Ahmed Iskander Ahmed, the Syrian Minister of Information, insisted in an interview with The Times that all government restrictions on Jews—including the special religious denomination section for Jews on Syrian identity cards—had been cancelled more than two years ago.

It was true, he said, that there was a financial bond Jews had to pay to the government if they wanted to travel abroad, but every Syrian citizen pays this, whatever his religion. The bond applies to me, too.

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FOREIGN REPORT

How prompt Reagan backing helps Korea's strongman

Next Wednesday Chun Doo Hwan, a 50-year-old former paratrooper general, will be elected President of South Korea. According to the revised constitution the President is chosen by members of an electoral college. Voting for the college took place on February 11 and gave General Chun's party nearly 70 per cent of the seats. Six days after his election General Chun will be inaugurated President with pomp and circumstance in Seoul. Elections to the National Assembly will follow a few weeks later and the fifth republic in General Chun's eyes the embodiment of a new era in South Korean history will be well and truly launched.

These events are the final stages of a campaign to legitimize the general's seizure of power after the assassination of President Park Chung Hee in October 1979. General Chun emerged as the new military strongman in an army putsch in December of that year and, as the recently appointed head of the Korean Central Intelligence Agency, was the chief target of huge student demonstrations a few months later.

The country's tentative steps towards a more liberal form of government after years of dictatorship under President Park were abruptly halted on May 18, when martial law was extended and political leaders, among them Kim Dae Jung, were arrested. A rebellion broke out in Cholla, Mr Kim's native province, and was brutally suppressed by the Army.

From then on the generals controlled the country through a Special Committee for National Security Measures. Reporting to this was a standing committee under General Chun's chairmanship, which initiated a massive "social purification" campaign.

In the drive to "reeducate" the population and eliminate



General Chun Doo Hwan in his army days.

political opponents, more than 57,000 people were arrested and about 3,000 sentenced to prison terms. In addition, 8,000 civil servants, employees of state industries, journalists, university teachers and members of other professions were sacked on charges of corruption and incompetence. The axe fell on ministers and former ministers, members of the National Assembly, and officers of the KCIA. The mass media were drastically reorganised by the forced amalgamation of broadcasting companies, newspapers and news agencies. Choi Kyu Hah, who as President Park's last Prime Minister had succeeded to the presidency after his death, resigned in August.

General Chun retired from the Army a few days later and was elected President, unopposed, by the National Assembly. The body designated for this task under President Park's Yushin constitution.

A Bill to revise the constitution was completed in late September and overwhelmingly endorsed in referendum on October 22. New political parties came into being to con-

test seats for the electoral college and the National Assembly.

Having assured his supremacy at home General Chun received the welcome accolade of an invitation to the United States from President Reagan. Before leaving for Washington at the end of last month he lifted martial law in preparation for the elections and committed to life imprisonment the death sentence passed on Mr Kim Dae Jung.

General Chun returned from his visit with pledges from the new Administration that American ground troops and aircraft would remain in South Korea and promises of help in strengthening his own forces, notably in the shape of F16 fighters.

Such forthright and prompt support from his main ally has given his foreign policy a flying start and, with the death sentence Mr Kim repealed, the general is now in a good position to mend fences with his country's other dominant partner, Japan.

General Chun is thus about to embark on a seven-year term as President with his supporters jubilant and his

opponents cowed. His own political group, the Democratic Justice Party, is unlikely to be seriously challenged in the National Assembly.

Mr Yoo Chi Song, president of the Democratic Korea Party, the largest of the opposition groups, told me that because of the threat from North Korea the country could not afford the kind of political confrontation that exists in the United States and Europe.

There is much talk of Confucian ethics and constructive dialogue. To Western eyes the whole thing appears a travesty of a multi-party system.

Opposition is more likely to come from the students, who are at present dormant but are not reconciled to General Chun, the bogymen of their demonstrations last year.

Another potential source of trouble is labour, particularly if the Government fails to control inflation and real wages continue to fall. Korean workers are young—three quarters of those in manufacturing are under 29—and heavily concentrated in the five main towns of Seoul, Pusan, Taegu, Taejeon and Kwangju. One expert described them as "a time bomb".

The churches have a notable record of opposition to dictatorship in South Korea. The Christian Broadcasting System, run by the Protestants, has been restricted to religious programmes only and has had nearly all its previous revenue cut off by the banning of commercials.

Church leaders are keeping a low profile but they continue to insist that a concern for human rights is a pre-condition for any development. There are about 8,000,000 Christians in South Korea, between one quarter and one fifth of the population, and it is impossible for the Government to ignore them.

Simon Scott Plummer

Law Report February 19 1981

Legal aid to unassisted party

Megarity and Others v Law Society
Gayway Linings Ltd v Law Society

Before Lord Diplock, Lord Simon of Glaisdale, Lord Edmund-Davies, Lord Scarman and Lord Bridge of Harwich.

The House of Lords, in two separate appeals by the Law Society, gave guidance on the way in which the provisions of the Legal Aid Act, 1974, and regulations made thereunder relating to the power of the court to award the costs of successful unassisted parties out of the legal aid fund, should be construed.

Their Lordships held in the first appeal that the word "proceedings" in section 13(1)(a) included an interlocutory appeal and that where that interlocutory appeal had been "finally decided" in favour of unassisted defendants, the court had jurisdiction to order the costs of the legal aid fund. In the second appeal they held that under section 13(3) a district judge could not order costs against a party who had been successful in an appeal against a decision made by a judge in the first instance.

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plaintiffs or defendants were broadly the same whether success was finally achieved in a court of first instance or an appellate court.

Where the assisted party was unsuccessful, however, the financial consequences to the unassisted party added to the national exchequer were very different from what they would have been if the litigation had been conducted without legal aid. The successful unassisted party, whether defendant or plaintiff, had to pay his own actual costs; he could not recover any part of them from the legal aid fund. The successful unassisted party, whether defendant or plaintiff, had to pay his own actual costs; he could not recover any part of them from the legal aid fund.

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action, cause or matter should be treated as separate proceedings in themselves for the purpose of determining the right of the unassisted party to costs out of the legal aid fund. That was done by section 13(3), which laid down different criteria for awarding costs to a successful unassisted party, depending on whether the costs were incurred in a court of first instance or in an appellate court.

Sections 13 and 14 also drew a distinction between "proceedings" simpliciter, the expression used in section 13(1), and "part" only of those proceedings ("part" only of those proceedings" in section 14(1)). That subsection made it plain that "part" was not limited to cases where legal aid was received by the assisted party for only part of the period during which the proceedings were going on, but it was also limited to one issue out of several in a single action, as in *Mills v Mills* (1953) 32, or to a particular issue in a single action, as in *Gayway Linings Ltd v Law Society*.

It was that consideration which led the House in *Shah v Spink* (1979) 1 W.L.R. 518 to hold that the costs incurred by him in those proceedings at the second instance were not to be treated as costs in the lower courts with which the appellate court was concerned for costs made on appeal. Otherwise the manifest purpose of the Act would be defeated.

His Lordship then considered section 14(1)(a), under which regulations could be made to determine the costs which were or were not to be treated as separate proceedings for the purposes of section 13. What were the regulations to be made? The House decided that it was that finally decided the proceedings and as such had jurisdiction to order costs against a party who had been successful in an appeal against a decision made by a judge in the first instance.

His Lordship did not think that the making of regulations splitting a single action into separate proceedings in a court of first instance or in an appellate court, and determining that each part should be treated as a separate proceeding for the purpose of section 13, was within the power of the Act.

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Legislation curbs Finland's reckless drivers

Road deaths in Britain have crept slightly downwards in the past decade, while in Finland the rate has been halved.

Safety publicity has helped reduce road fatalities in both countries, but introduction of strong laws on seat belts, speed limits and drunken driving are the main reason for Finland's dramatic achievement.

Active road safety campaigns and new legislation have led to a 50 per cent fall in road deaths in Finland. In 1972, 1,156 people were killed on the

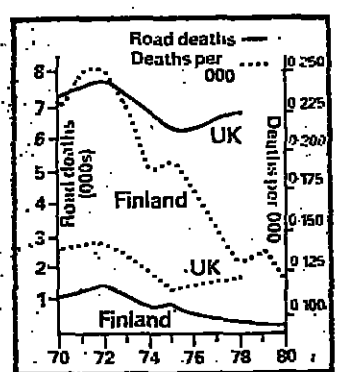


Chart shows big decline in Finnish road deaths between 1970 and 1980, both in absolute figures and in relation to the increasing population. In Britain and Finland, the number of vehicles on the road has risen steadily.

roads. Last year the figure was down to 570, and the downward trend is expected to continue. These are absolute figures, and more impressive considering that the volume of traffic increased by 35 per cent in the same period.

According to Mr Knut Aas, chief of the national Highway Patrol, the positive trend was a result of several factors. The single most important one was new legislation, especially on lower speed limits and the compulsory use of front seat belts.

Seat-belt use was made compulsory in 1975, but it has been a non-punishable offence. According to the new Road Safety Act, due to take effect in November, refusal to wear belts will be punished like any other motoring offence. From the beginning of this year seat belts have been compulsory on the back seats of new cars.

Speed limits were lowered in 1975 so that on most main roads the limit is 50mph. On

trunk roads it is 63mph and on motorways 75mph. In built-up areas it is 30mph. Finns, who are well known from rally driving, had also gained notoriety as reckless drivers. New speed limits initially caused much grumbling, but today they are generally accepted.

Drunken driving is also strictly limited. Any driver is liable to prosecution if his alcohol level exceeds 50mg of alcohol per millilitre of blood. A prison sentence is almost unavoidable if the level is more than 150mg.

Other new road safety measures include compulsory use of dipped headlights all day in rural areas during the dark winter months and always when visibility is impaired by darkness, fog or rain.

Another main reason for improvement is that attitudes towards driving have changed considerably. Mr Aas says, it is generally understood that road safety work is everyone's business. This is a slow but certain method to improve road safety.

and important results have been achieved. A further factor is intensified police enforcement. The police have bought new and efficient equipment, and every patrol car has a British-made alcoholmeter to test drunken drivers.

Fines for offences like speeding can be high. Driving, say 70mph in a 50mph limit area, can cost hundreds of pounds if the driver's income is high.

Roads have improved. Two special attention has been paid to improving roads proved to be dangerous. Pedestrians and bicycle riders have separate roads in many areas.

Mr Martti Mäkelä, research director in Road Safety, a public organization, said the 1972 figures caused a national drive for something to be done. That led to a parliamentary commission being set up forcing different authorities to be more efficient.

Olli Kivinen

Canada-US impasse over fishing treaty

An unratified fishing treaty is hampering the best efforts of the Canadian Government to establish its relationship with the new Reagan Administration on the right footing.

The two governments signed the treaty nearly two years ago but it has since been tied up in the United States Senate foreign relations committee, which refuses to recommend ratification on the ground that Canada is the better of the deal. The second divides up the fish catch in a disputed area off the east coast of North America.

The impasse is by far the most serious and pressing of a wide range of issues complicating relations between the two North American neighbours. The others, for the most part, tend to fall into the category of perennial.

They include cross-border pollution from coal-fired power plants in the United States; the free-trade pact on which Canada feels it has conferred one-sided advantages on the United States auto industry; but cannot get the Americans to renegotiate; and the Alaska natural gas pipeline across Canadian territory, which still faces regulatory and other delays in Washington, despite the agreement reached by the two governments more than two years ago.

Canadian officials have been muttering for months about the futility of trying to cope with a

situation where one branch of government—namely, the United States Administration—proposes, while an entirely different branch—the Senate—disposes.

Recently Mr Mark MacGuigan, Canadian External Affairs Minister, even suggested that Canada would henceforth refrain from entering into treaty arrangements with the Americans until it gets a better deal from the Senate.

How this would work is not quite clear. But the very fact that Mr MacGuigan talked that way indicates the high level of frustration he and other officials have over the treaty.

On either side of the border, interests of only a few thousand fishermen are directly affected by the issue. The national interests of neither country are very deeply involved. Nevertheless the ratification delay is being treated as a leading problem in Canada, even if it is a small and inconsequential thing as far as most Americans are concerned.

Several times the House of Commons in Ottawa has ritually adopted resolutions calling on the United States Senate to endorse the treaty, but to no avail. For his part, Mr MacGuigan has rejected periodic hints emanating from Washington that the agreement should be renegotiated. The only changes the Canadian Government is prepared to consider are minor modifications having nothing to do with the substance of the treaty.

Yet, at the same time, Senator Claiborne Pell of Rhode Island, perhaps the

staunchest opponent of ratification, maintains that the accord has no chance of passing in its present form.

What happens, if the impasse continues is not clear. For the moment, all seems peaceful on the disputed fishing grounds where fishermen from both countries operate, but that picture could change if it became evident that there is going to be no in-principle agreement.

Mr MacGuigan was asked recently whether the Canadian Government would be prepared to bar American fishermen from Canadian waters should the deadlock persist.

"Well, we will certainly develop what we consider to be the appropriate scenarios in that case," he replied without elaborating.

The problem is to define what are Canadian waters, and what are American in the disputed area, which is known as Georges Bank, and lies south of Nova Scotia and east of Cape Cod. It is rich in fish resources, particularly scallops, cod, haddock and herring.

Under the treaty, Canadian fishermen would set net for the scallop harvest, while American fishermen would get most of the cod, haddock and herring.

A separate treaty provides for delimitation of the disputed maritime boundary in the region to be referred to a panel of the International Court of Justice for binding arbitration.

The court's decision will be important should oil and gas be eventually discovered on the

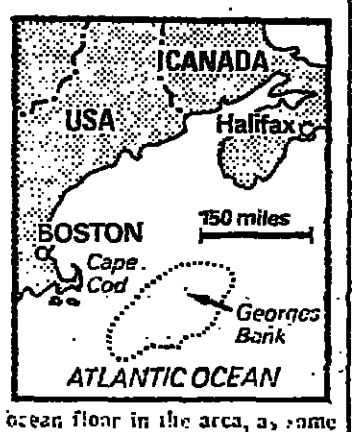
ocean floor in the area, as some experts are predicting.

The two treaties, while separate, have been coupled for purposes of Senate ratification. So far there has been no move to separate them to expedite passage of the boundaries accord, which is less controversial.

The new Administration in Washington is solidly behind the treaties, as was President Carter's Administration. Mr Alexander Haig, the Secretary of State, has agreed to appoint a special negotiator to try to get the contentious fishing treaty through the Senate, and Senator Charles Percy of Illinois, now chairman of the foreign relations committee, is "most encouraging" in Mr MacGuigan's words.

But it is doubtful if the new England fishing interests, which oppose the treaty, and their representatives in Washington, will be very impressed.

John Best



In re a Debtor (No 5883 of 1979)
The Debtor v Law Society
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PARLIAMENT, February 19, 1981

Mr Foot delighted but demands specific undertaking on cash support for mining industry

House of Commons

There were loud Labour cheers as Mr Foot congratulated Mrs Thatcher on a great victory for the miners and for the country. His hint of an invitation to dinner for the Prime Minister, however, received a negative response.

Questioning about developments in the coal industry continued as Mr John Watson (Sheffield, C) who said: In view of developments in the coal industry (from Labour cheers) in the past 24 hours, will the Prime Minister take time today (Labour shouts) to consider the possibility of a cash support for the mining industry, and that the least efficient 10 per cent of all British pits are currently losing money at 90p a year, and that whatever may be the outcome of talks over the next few days, the most effective way of reducing the price of coal and restoring the competitiveness of the British coal industry, lies in a plan and agreed schedule of pit closures?

Mrs Margaret Thatcher (Barnet, Finchley, C): I understand those figures are broadly correct (Labour laughter). May I stress that it is the wish on this side, and I believe on the other, to have a competitive coal industry because that puts less burden on other parts of the economy and would enable many other industries, big users of electricity, which is based on coal, to have that electricity more cheaply and thereby to keep more jobs in their own industries.

Mr Michael Foot, Leader of the Opposition (Edinburgh, East, Lab): I, more than any other, congratulate her (Labour cheers) on what, on present evidence, appears to be a great victory for the miners and the nation.

Of course, we shall want an explicit undertaking from the minister who was vague two days ago, but so far it looks a very good thing.

I assure Mrs Thatcher that every time she turns she will get a nice bouquet from me, I may even ask her to dinner. (Loud laughter.) Who can tell? (Renewed laughter.)

The Government thinking of including a specific undertaking to the miners of financial support in a new coal industry Bill, when will the Bill be introduced?

What figure will the Government agree on to enable undertakings made to the miners to be met?

Mrs Thatcher: On the question of miners, Mr Foot will not need reminding that it is on occasion a Labour MP's prerogative to say "No".

Labour MP: Not to the minister, Mrs Thatcher? On the amount of money, I must stick to what Mr Foot said at the meeting yesterday. Two main points were raised. It would be wrong to put any gloss on that because matters will continue to be negotiated next week.

The minister said that he was prepared to discuss the financial constraints with an open mind and also with a view to meeting the Chairman of the National Coal Board, in the light of that, said that he would withdraw the closure proposals and would re-examine the position in consultation with the unions.

I am not in a position to go further. Negotiations are continuing. I shall be meeting with a meeting next week.

Mr Foot: I am eager to thank her on every available occasion. I shall be at the minister's day's listening session into a talking session. That was an improvement as well.

What would be the worst of all would be if after the Government had secured a settlement, there were to be any breach of faith.

What is the amount of money involved? Is it going to be in the form of a new coal industry Bill because we need a new coal industry Bill which was part of the case of the trouble?

Mrs Thatcher: It is precisely because there is a breach of faith over what took place at the meeting that I am asking to the Government to re-examine the position and to re-examine the position in consultation with the unions.

Dr David Owen (Plymouth, Devonport, Lab), rising to Conservative cheers, said: Why did the Prime Minister ignore the repeated assurances given by all stages of the coal industry Bill that this was a pit closure Bill?

Who are the traitors now? Is this a slow motion conversion, or the first note of the Limehouse blues?

Mrs Thatcher: The action was not a breach of faith. (Loud Labour laughter.)

Labour MP: Was she pushed or did she fall?

Mr David Steel (Roxburgh, Selkirk and Peebles, Lib): In her present position, the Prime Minister turn her attention to lower interest rates?

Mrs Thatcher: The House must realize that if more money is to be found, it must come from the country. It either has to come out of the taxpayer's pocket or it has to be found by the Government.

When people constantly ask for more money, I hope this is something they will bear in mind.

Mr Foot: I should be delighted to table in an official reply a list of the price increases agreed to by the Labour Government. I trust he would find it too embarrassing.

In the last three years average price increases have been 2.7 per cent per year. This is way below the input cost and way below the rate of inflation of any country in Europe.

Mr Anthony Marlow (Northampton, North, C): His friends on the continent are providing hefty subsidies to their own industries. In France and Germany through interest reduced loans and other subsidies.

He should consider at once reviving the green pound by the full amount and simultaneously give the same subsidy to our farmers?

Mr Walker: I totally reject his suggestion. It would mean a reduction in the farm income in this country.

He should study carefully what it is that countries like Germany have done to their own industries. They have done it because they consider it to the benefit of the German economy.

sumers paid more for water? It was not the right answer.

Mr Wyn Roberts Under Secretary, Welsh Office (Conwy, C) said contribution that may be required of a house owner towards the cost of installing a healthy supply of water.

Mr Giles Shaw, Under Secretary for the Environment (Preston, C) said the increase was in line with inflation since the figure was raised to £60 in 1961. It was needed to meet the rising costs of water supply.

He said the new clause was put forward in the absence of equalization, abandoned by the Government, and of a standard charge for water in the rest of England and Wales. There was a disparity of about 30 per cent in the payment of water rates between Wales and the rest of England.

Mr Dennis Howell, an Opposition spokesman on the environment (Birmingham, Small Heath, Lab), said the new clause was a new idea where people through no fault of their own suffered damage to their property from burst water mains.

He understood that the question of charging for Welsh water was under examination by the Welsh authorities which had asked its management team to produce a scheme.

It would be wrong for him to introduce a Government Bill on the appropriate level of charge from 1981-82 onwards. The authorities might come to agreements satisfactory to all concerned.

There was disagreement with the Government because the Government was introducing the method by which charges would be calculated.

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Competitive coal means competitive electricity

Mr David Howell, Secretary of State for Energy, said in a statement about the outcome of yesterday's meeting of the Government's tripartite committee on the coal industry, said he would be meeting the industry again next Wednesday.

Mr Howell (Guldford, C) said that at yesterday's meeting he had said that the Government was prepared to discuss the financial constraints with an open mind and with the unions.

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to be given? It is grants for specific purposes? It is transfer to the Government of the social charges of the NCB? Will it be an increase in the cash which will be so obviously insufficient now?

When can we expect legislation to enable the Government to act? We will expect any legislation that is required for the purpose.

When Mr. Gormley came out of the House, he said there was a commitment on lower imports. What is the commitment and how will it be implemented?

There are still many who say they are not going back to work. Will Mr. Howell spell it out more explicitly because he is far too general and the miners do not trust the Government. It must be spelled out if it is going to be extremely difficult.

On a day when gas prices are being jacked up by the Government decision to raise the price of oil, all energy pricing policy is now even more in question than before.

The Government's energy policy is not a policy of energy. It is a policy of energy pricing. It is a policy of energy pricing. It is a policy of energy pricing.

They are like a truck which has been jacked up by the Government's policy has been jacked up.

Mr. Howell: He speaks about the financial constraints of the Coal Industry Act which was passed through this House last year. It was always recognized by both sides of the House that the Plan for Coal, that closures are necessary to reduce oil and

declining capacity and to modernize new capacity.

On financial help and imports the words I used in the tripartite meeting were explicitly set out to both sides of the industry. It was on the understanding of those words that the industry agreed to come back next Wednesday.

It was on the understanding of those words that the industry agreed to come back next Wednesday.

I believe talks for a constructive settlement are far better than seeing this industry tear itself apart on the basis of misleading and distorted rumours.

There is no future for miners or anyone else however hard they work if they are not producing goods at competitive prices. In that context, an increase in public ownership and control of the industry, likely to cause higher interest rates and exchange rates, will have an adverse effect on the private sector.

Mr. Howell: I agree with what he has said. He mentioned the burden on industries of uneconomic overcapacity and that it comes to pricing that has to be, and is being, recognized in the coal industry. It is the price of electricity, which is high because we live in an age of high cost energy,

is one of the things making additional problems for industry. Unless we can get competitive electricity, we cannot get competitive electricity.

Mr. Joe Ashton (Bassetlaw, Lab): The miners are angry because they feel they are being punished for their success in increasing productivity. He should encourage other workers by rewarding them. That is a good time to start a shorter working week in the industry, or give miners the same holidays as other workers, or early retirement like policemen.

Mr. Howell: He talks about punishment. The reality is that the best reward for the nation and the industry and the miners is a prosperous and successful industry that could sell into overseas markets and compete with other fuels which wish to produce and sustain investment and jobs for the future.

Mr. Patrick McEneaney-Wilson (New Forest, Lab): The Government has a substantial price advantage over oil, there is an urgent need to stimulate coal sales. Can he discuss with the Chancellor of the Exchequer to see what provisions can be made for these businesses which wish to install coal-burning equipment?

Mr. Howell: I recognize the validity of his point. Coal has a substantial economic advantage over oil and therefore it makes good economic sense, even as things stand, to encourage coal-burning equipment and put in coal-using equipment.

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Mr. Howell: The most important thing is to see more jobs and more competitive products in this country. It applies to every industry and to our great energy industries alike.

Mr. Eric Cockerham (Lindlow, C): There was peace in this industry until 10 days ago—until Sir Derek Ezra behaved like an IRA bomber. It is apparent that Sir Derek Ezra has a movement away from the Government's economic policy on high interest rates and high exchange rates.

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THE ARTS

The savage celebration of an Italian American hero

Raging Bull (X)
Classic Haymarket
and other cinemas

Battle Beyond the Stars (A)
Warner West End

Dance Craze (U)
Dominion

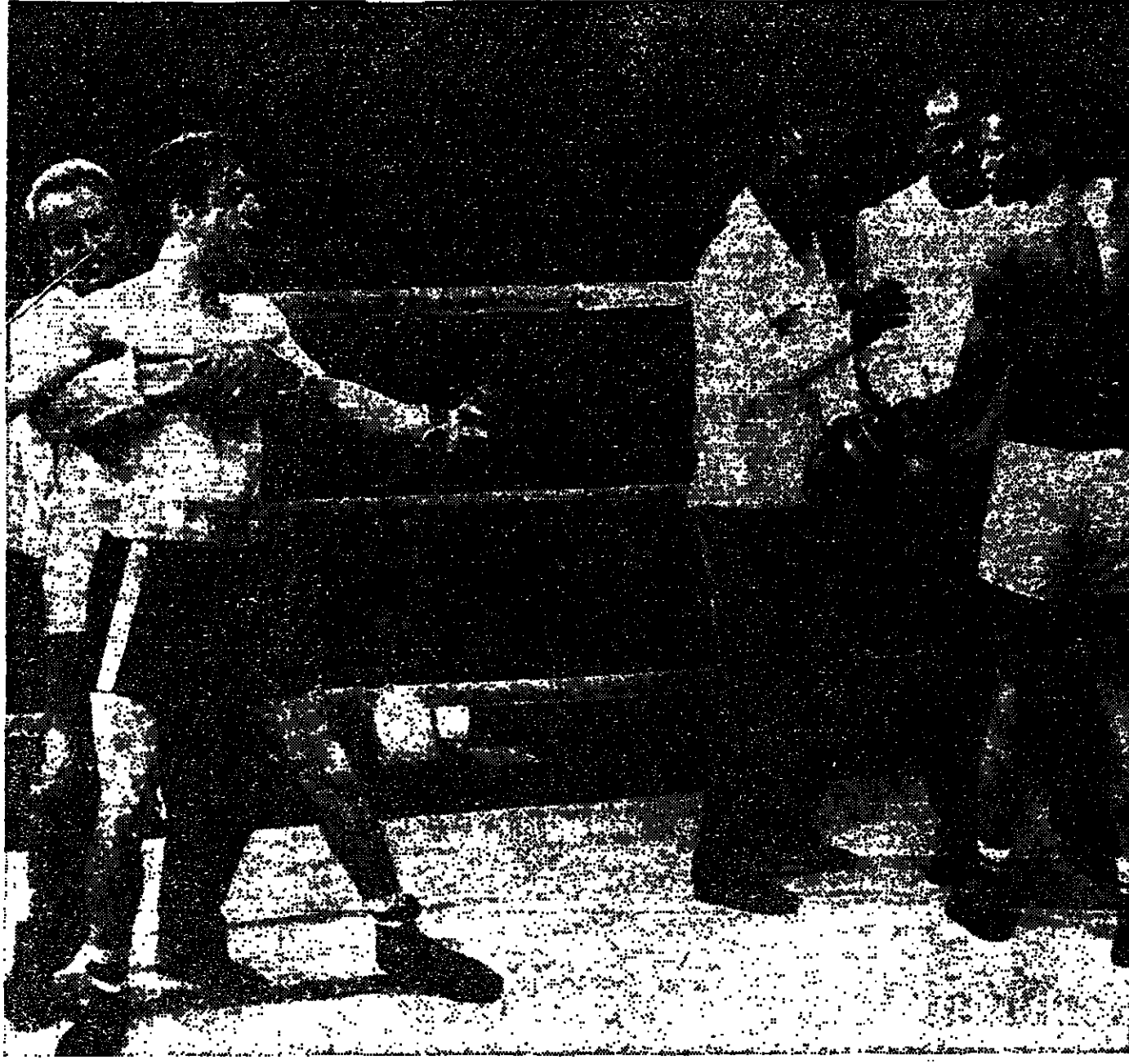
Papa les petits bateaux
Scala

There has been a lot of nonsense written about the "banishing" of Martin Scorsese's *Raging Bull* from the Rank chain of cinemas. The story is not true, more a cover-up for the confusion caused when the premiere assumed by the distributors, United Artists, backfired and Scorsese and Robert De Niro arrived for an event which was not going to take place. As a result the film opens in London at a classic cinema but will be shown throughout the rest of Britain on the Rank circuit.

This rash of stories about censorship and the tyranny of the duopoly has done, however, is to damage the film by drawing unnecessary attention to the imaginary reason for the film's banishing, the bad language. *Raging Bull* has now acquired a quite absurd reputation for expletives when it would have been better for a public understanding of the film if attention had been drawn to the film's integrity, trying to show better than any film since Paul Newman in *Somebody Up There Likes Me* the quality of mind of a man who volunteers to be pumelled every day.

The bad language is an essential part of *Raging Bull*. Scorsese chose the subject, the biography of Jake La Motta, the middle-weight boxer of the Forties and early Fifties, because it celebrated an Italian American hero. Scorsese was brought up in New York's Little Italy, as was Robert De Niro, and much of his best work, *Mean Streets* and *Taxi Driver*, is set in a world where Italian Americans own joint and fight commentators are authentic. The actors chosen to play Sugar Ray Robinson, Tony Janiro and the other fighters in La Motta's career look right. And the language between the main characters is suitably riddled with expletives, mostly the abuse aimed at the sanctity of motherhood which obsesses Italian Catholics. The expletives become as commonplace as punctuation, leaving only the most inventive to penetrate the imagination.

Scorsese was keen to make *Raging Bull* as authentic as possible. The primary reason for filming in monochrome, except for some brief, home movie sequences, was to recreate the atmosphere of the old fight newsreels. Robert De Niro plays La Motta from a young man through a punishing career, during which he



Jake La Motta (Robert De Niro) taunts Sugar Ray Robinson (Johnny Barnes) in *Raging Bull*

became middle-weight champion, to obese middle-age, ending up as a grubby night club comic. De Niro was so determined to be true to La Motta, who is still alive, that he risked his health by putting on and taking off four stones in weight in eight months.

Great attention has been paid to detail. The fashion changes are faithful. The period sounds of radio music and fight commentators are authentic. The actors chosen to play Sugar Ray Robinson, Tony Janiro and the other fighters in La Motta's career look right. And the language between the main characters is suitably riddled with expletives, mostly the abuse aimed at the sanctity of motherhood which obsesses Italian Catholics. The expletives become as commonplace as punctuation, leaving only the most inventive to penetrate the imagination.

The script is by Mardik Martin and Paul Schrader, who has regularly collaborated with Scorsese, based upon La Motta's ghosted autobiography, but it is evident that for a good part of the film the script was used as no more than a starting point for improvisation. Scorsese is an admirer of the methods of John Cassavetes which throw actors back upon their own understanding of character.

It is not surprising that De Niro is tipped for an Oscar for his playing of La Motta. He crushed away the dangers to his heart and liver which the force-feeding to gain weight entailed with the remark "Boxers do it all the time", and he appears to have similarly devoted himself to the mental turmoil which governed La Motta's life.

Without labouring the point, De Niro brings out the desire

for self-destruction which pushed La Motta through his boxing career. He invited La Motta to punch him straight in the face without gloves, tormenting himself with the prospect of his wife's unfaithfulness, attracting the most horrible and unnecessary wounds to his face when losing the title to Sugar Ray Robinson and pounding his head and bare knuckles against the walls of his cell in masochistic defiance against his unjust imprisonment on a vice charge in later life.

Scorsese constructs the claustrophobia of Italian life so that we can understand as insiders the pressures to conform. Men kiss and embrace; wives look after the children and keep their views to themselves; the family remains loyal whatever the priest goes everywhere, including night

clubs; and when the local Mafia boss says pull a fight, you pull a fight. La Motta tried to succeed on his own, without the help of the Italian network, but in striking out for himself he was to lose his fights, his health, through compulsive eating, his brother and, after years of domestic violence, his wife and children.

Everything contributes to the success of De Niro's central performance, the slyly seductive playing of Cathy Moriarty as his wife and Joe Pesci, subsidiary and supportive as brother Joey. But contributing most of all is Scorsese's direction, emphasising La Motta's mental agony by the music of Pietro Mascagni, silence and slow motion. And, above all, by recreating the bestiality of the ring in a succession of exaggerated fight scenes. *Raging Bull* is a bloody, swollen, sweaty tribute

to those who are crazy enough to box.

Scorsese, like many of the New Hollywood directors, was given his first crack at commercial filmmaking by Roger Corman, the director turned producer. Corman's *Battle Beyond the Stars*, directed by Jimmy T. Murakami, is a belated attempt to jump on the *Star Wars* trend. Everything from the type-face in the credits and the rousing orchestral martial music confirms the Corman method, casting in on the success of somebody else's risk.

A low budget should improve pulp science fiction, as the original *Flash Gordon* serials proved, but this film has none of that lightness and absurdity which comes from making do. It rests heavily on special effects which look all too cardboard and the plot is a muddle with none of the irony which can lift even the most crummy Corman films into sublime knockabout escapism.

It was a good idea of Joe Massot, the director of *Dance Craze*, to set up his parade of two-tone bands as if it were a creaking *Look at Life* film about living, but the device quickly gets in the way of the music. At one stage the raucous leader of the West End music beat which drives bands like Bad Manners, Madness, The Bodysnatchers and The Selecter was halted entirely by wonderfully dated Pathe News reels. As amusing as it was to see the leader of the West End music beat, the reels were a distracting intrusion upon the excitement.

The Scala is showing a short season of films by Nelly Kaplan, whose work is little known in Britain and less praised. She was inspired by Abel Gance to make films which worked close with him for two years before associating with surrealism. Her work has often been compared to that of Luis Buñuel. Odd, then, that the film chosen to convince the press of her genius was *La Motta*, a comic strip of no obvious merit made in 1971 in which Sheila White and Michel Bouquet trip through an empty kidnapping story.

Last week I mistakenly called Michael Powell's film about a vampire from purgatory, *A Matter of Life and Death*, by the title of Richard Fleischer's war picture *Between Heaven and Hell*. Also, Warren Beatty's *Heaven Can Wait* owes as much to Alexander Hall's *Here Comes Mr. X* as it does to Ernst Lubitsch's *Heaven Can Wait*, which borrowed the title of the play upon which Hall and Beatty's films were made but reversed the plot.

Nicholas Wapshott

and an accompanying strand; more like Mahler, but with a different accent.

Such music requires lovely solo voices. We had them in Elizabeth Söderström, who soared rapturously, and Thomas Allen with burnished chestnut tone. Both were apt to be swamped by the flood of full orchestral sound; Mr. Gielzen had no time for short lambs in his finest championship of this music.

Sinfonietta/Zollman Royal College of Music

Paul Griffiths

Electronic music has not provided us with many masterpieces since Varese's *Deserts*, first performance in 1954, and the work itself suggests some reasons why. Every time I hear it I am struck more forcibly by the gulf between the electronic episodes and the orchestral music that surrounds them, the new medium seeming pathetically tame and dead in a context of such vigour, brilliance and subtlety. Three times Varese rips apart the fabric of score

Herodiade Collegiate

Hilary Finch

Massenet's version of the Salome story has always had something of a struggle to win its public in choosing to mark the centenary of the premiere of *Herodiade* by giving its first London performance since 1904. University College Opera have taken on a work that had to be partly rewritten for Paris only three years after its premiere and then both renamed and adapted to suit British tastes.

But for this *Herodiade* Christopher Field's flexibly controlled, spacious yet always energising musical direction and some responsive and imaginative orchestral playing made the most of a good deal of strong, firmly crafted writing:

Giselle Covent Garden

John Percival

The Royal Ballet has been unlucky this season in the number of leading dancers absent through injury, so there was a double pleasure at Covent Garden on Wednesday in seeing Galina Samosova, recovered from her foot operation, dancing in Norman Morrice's production of *Giselle* for the first time, and David Wall returning from a long absence to partner her. They make a good pair and, with Stephen Jefferies complementing them as Hilarion, the

Books Back to square one

In all the lamentation over the end of general publishing by Cassell, little attention has been given to the man who gave the firm its foundation and name, John Cassell.

Cassell, famous in his day as an expounder of self-help to the working man, was born in the squalor of one of Manchester's worst slums in 1817. His father was landlord of the Ring o' Bells, a stone's throw from what is now Manchester Cathedral. His father died when he was but a boy and he was taken out of school and put into the factory. He eventually found an apprenticeship in joinery.

The great point of his life came in 1835 when he took the Teetotal Pledge in Manchester's town hall. He totally allied himself with the radical new movement, which forbade not only spirits but beer as well, and he became one of its founders.

The young man was soon speaking in and around Manchester to working men. Known as the "Manchester Carpenter" he would mount the platform, complete with his fustian jacket, paper hat and apron tied round his waist. He began to supplement his meagre education and to seek new horizons. He was, a friend said, "young, bony, big and exceedingly rough and uncultivated".

In 1836, he set off for London on foot and carried a bag of tools with him as well as a bell to gather crowds for a Teetotal lecture. Arriving in London with three-halpence in his pocket, he sought out the small Teetotal societies, and soon found a position as paid lecturer. His rough exterior (he did not know how to use a handkerchief), eager spirits, and Lancashire patois made him popular. For years he tramped the roads of England with his watchman's rattle and Teetotal tract.

While speaking in Norfolk he met and married Mary Abbott, who brought with her enough money for him to give up lecturing and settle in the new suburb of St John's Woods. He set himself up as a tea and coffee merchant in the City and his business succeeded largely because of his established name in Teetotal and Nonconformist circles; throughout his life he was a Congregationalist.

But his first loyalty remained, as it would throughout his short life, the elevation of the English working man. The drunkenness of the alleys of Manchester had left an indelible imprint on him. He started a monthly Teetotal paper which was neither a great success nor very good. He soon became involved in radical politics and stood on the fringes of Chartism. In 1848 he launched his first radical paper, a weekly named *The Standard of Freedom*.

He quickly got caught up in various radical causes: the abolition of the "Taxes on Knowledge", Hungarian patriots, and the movement for working class enfranchisement. He soon became friends with Richard Cobden. In 1850 he launched his first attempt at working-class publishing with a weekly news-magazine, *The Working Man's Friend*, a rather trenchant class publication.

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and performance to give us his musical ideas in the direct form of sounds on tape, and on each occasion the effect is one of an adventure into new worlds but a retreat into inarticulacy. No doubt this is partly because the tape is steadily deteriorating while standards of orchestral expertise constantly improve. The London Sinfonietta, playing the work at the start of Wednesday's BBC College Concert under Ronald Zollman, gave an exceptionally thrilling account of it. But I feel also that Varese realized he had not found the promised land when he acquired a tape recorder, that his dreams were still a long way from fulfilment. And they still are.

To follow the clamour of *Deserts* is a tall order but only Massenet's sixth out of 27 operas, but with the seeds of *Werther* and *Manon* already noticeably germinating.

And if wooing was still really necessary, Christopher Renshaw's strong and persuasive production did the trick. Powerfully stylized yet never self-consciously sterile use of space, movement and lighting, within an enclosed narrowing blacked perspective, served always to channel the music's expressive power and meticulously matched its pace.

These early ventures were not successful; but out of the French lesson in the *Working Man's Friend* grew his most important and successful publication, *The Popular Educator*. This penny weekly had a variety of courses in each week, ranging from English grammar to Latin, from Hebrew to mechanics and book-keeping. He helped establish home extension courses and by 1887 the series had sold one million copies.

But he always wanted to edit a newspaper. Cobden had always urged him on this course. In 1853 he launched *Cassell's Illustrated Family Paper*, which ran well into this century. His earlier radicalism mellowed into a somewhat chauvinistic Palmerstonian liberalism. There were numerous "spin-offs" from his periodicals that he published as books, and at began publishing penny weekly part issues of novels.

However, he had borrowed heavily, and in 1854 he crashed badly, and was only saved from bankruptcy by the intervention of two printers named Peter and Galpin. Within a few years the new firm of Cassell, Peter and Galpin had emerged; they provided the money and Cassell, the ideas, name, and contacts. There was a serialized and heavily illustrated *History of England* and an *Illustrated Family Bible*; the two were soon selling over 400,000 copies a week.

For this, and for other—and more expensive—illustrated books the firm turned to Cassell's long established contacts in France. He would go to Paris and there buy the metal "electros" or copies of finished woodcuts, which were extremely expensive. His contacts included Gustave Doré whom the new firm introduced to England. Months before his death the firm started the publishing world with the first English edition of Napoleon III's *Life of Caesar*.

In his last years, as the publication turned more towards higher quality books and original publications, Cassell, despite his declining health, turned to new fields. While touring America to promote my Bible, he came across the new firm introduced to him by a French process for refining paraffin but it failed miserably and when he died in 1885, aged only 48, he was again near bankruptcy. His partners would die millionaires and the firm introduced one of the most successful in publishing history.

Cassell once told his close friend, Lord Brougham, that he sought "to spend and be spent" in the service of working-class improvement and the first English publisher to exploit the American market. It is now the American holding company that has wound up general publishing by Cassell to limit the firm to educational works. By so doing they have been bringing the firm back full circle to the goals set in 1852.

James Munson

BBCSO/Gielen Festival Hall/Radio 3

William Mann

It was enterprising of the Royal Philharmonic Society to revive Zemlinsky's *Lyrical Symphony* on Wednesday in a performance by Michael Gielen and the BBC Symphony Orchestra. The composer's name often crops up in

writings about the Vienna of Mahler and Schoenberg, though his works are performed very seldom nowadays.

Alexander von Zemlinsky was a quite successful opera conductor and composer; Mahler put on one of his operas in Vienna. Schoenberg married his sister and thought the world of him. Zemlinsky composed the *Lyrical Symphony* in 1923, 15 years after Mahler's *Das Lied von der Erde* which it markedly

resembles. Both are song-symphonies, setting oriental poetry in German translations. Mahler's has six movements to Zemlinsky's seven, alto and tenor soloists in his soprano and baritone, poems from China to his by the Indian, Tagore. Both are amorous and melancholy in mood, and both base their symphonic arguments on a three-note motto figure; fortunately not the same one.

By 1923 Schoenberg had

embraced atonality and was well on the way to 12-note technique. The music of Zemlinsky's *Lyrical Symphony* floats sumptuously forward as if the First World War had never happened. He had a tendency, his biographer admits, to recompose the masterworks of his time, and the *Lyrical Symphony* does fall upon the ear like a second *Song of the Earth*, less taut, less muscular, not quite the same.

The sombre first movement is not unlike the Pfitzner of *Palestrina*. Atmosphere was Zemlinsky's strong suit; each of the seven movements has its own, precisely circumscribed mood. There is a gorgeous sensuousness in the third song, with sumptuous wind and brass writing that looks back to Schoenberg's *Gurrelieder*; but the sixth movement deals almost entirely in two lines, the high soprano

The Show He Never Gave

Everyman, Liverpool

Ned Chaillet

Libel laws and living relatives contrive to cast a rosy hue over the life of the country and western star Hank Williams, but the truth survives in his frequently painful songs and the Canadian playwright Maynard Collins knows how to use them to tell the man's story. The lyric reveals the bitter story of his first faithless marriage and the playwright imagines a last boozy concert on the night before Williams's death on New Year's Day 1953. Although Williams was still popular he was struggling with drugs and drink to hold on to his talent. Country music has a passionate following in Britain and Ken Campbell, the director of the Liverpool Everyman wants that sort of audience for the theatre. In his first season he has scooped in fans of science fiction, B movies and disco dances. The wildly responsive country fans could well be the

most appreciative and they would certainly have been the most critical if *The Show He Never Gave* was not such a dynamic mix of music, truth and myth.

Those resistant to the foot-stomping insistency of country rhythms might find the show heavy going. It is much more a concert than a play and Mr Campbell and Terry Canning have directed it with all musical crops pulled, with the back of a solid band, where the steel guitar of Ronnie Bennett and the fiddle of Ernie Hannigan dominate. The songs shift through moods that range from the exuberance of the cajun-styled "Jambalaya" to the bitterness of "Your Cheatin' Heart". It is exultant and moving theatre because it tells the story using the full potency of popular music.

When Mr Collins's own writing unceasingly tries to evoke evangelistic fervour it momentarily falters. The real insights are in the music and in the remarkable performance by Carl Chase as Williams. For two hours he sustains a wily impersonation that would do credit to a seasoned professional. A few weeks ago Mr Chase was a Liverpool taxi-driver; he is likely to be a fully employed performer from now on.

Waiting for Godot Old Vic

Irving Wardle

"All mankind is us, whether we like it or not" exclaims one of Beckett's tramps, usually melting the heart of the spectator with a car outside and a home to go to. Too much has been made of Beckett's universality, and the time is ripe for a reminder that Godot—whatever its other meanings—is specifically about the desert of the earth.

Such is the aim of Donald Howarth's multiracial production, imported from Cape Town and reuniting London audiences with the much loved acting partnership of John Kani and Winston Ntshona, last seen six years ago in *Siwisa Bansi is Dead*. On Mr Howarth's stage Beckett's country road becomes a sun-cracked rock somewhere out in the veldt; Pozzo (Bill Flynn) an Afrikaner in check shirt and riding breeches, and Lucky (Peter Piccolo) a shanty town piece of white trash.

Long before these characters appear the play has found its new focus. Almost in his first line, Vladimir (Kani) declares: "I resumed the struggle", and for once you know which struggle he is talking about. And when Ntshona's Estragon announces that he has been beaten up by the same lot as usual, he has no need to explain who they are.

So it goes on, speech after speech finding a precise application to South Africa's blacks, and achieving an ironic zenith in the scene where Pozzo returns as a blind man appealing for help. "Are you friends?" he asks; to which Ntshona replies with a loag, gurgling laugh that goes beyond words. Dialogue apart, the general metaphor of endlessly waiting for a simple act of justice relates directly to the new environment.

What I have described so far are mainly the automatic effects of setting the play in South Africa: even a pair of blacked-up whites in the lead would produce much the same result. The presence of Kani and Ntshona adds something else, and while their work is as electrifying as ever, it does not always serve the play.

What they offer is a wonder-



John Kani (left), Peter Piccolo, Winston Ntshona

ful partnership of complementary temperaments: Kani quick-moving, sociable, always looking on the bright side, Ntshona weighty, reflective, and occasionally surfacing with flashes of moral passion. On such terms, their mutual contact never sags, but it does inhibit the variety, the comedy, and the exchanges of role between Beckett's tramps. It is true that the racial setting diminishes the comic opportunities; but even so, the performance could do with more invention and less monotonous bickering.

Antiphonal poetry (such as the "like feathers/like leaves" exchange) comes over as argument; and the partners' speech rhythms continually jar against those of the text. In particular there is the habit of emphasizing penultimate words: "try as one may" (as distinct from two); "there's nothing we can do" (unlike all those other people). For those who have had enough of the play, this is an illuminating event; those who have never seen it should wait for the Royal Exchange version.

Some of the reviews on this page are reprinted from yesterday's later editions

THE RETURN OF ONE OF THE
SCREEN'S TRUE CLASSICS!

Presented by
Wuthering Heights

FROM CATE TWO CATE MAY FAIR

...remarkable, unsurpassable, THE TIMES CATE TWO
...rare rich movie, FINANCIAL TIMES
...the greatest in all cinema, GUARDIAN
...bristling with passion, TIME OUT
Wizgudis

The story of the
Last Chrysanthemums

هكذا من الأصل

THERE ONCE WAS AN UGLY DUCKLING.

In early 1950 the first Saab rolled off the production line.

Although streamlined by aircraft designers, in no shape or form could it be called beautiful.



It certainly was functional. It certainly was safe. And it certainly was very reliable. Which is why, over the years, in rally after rally Saab were certainly one of the most consistent winners.

In fact, so successful was it, that as late as 1977, the same basic shape was still selling well. It's probably also the reason why today in '81 many still think of Saab as old-fashioned.

They still remember the 'old boot'. But nothing could be further from the truth.

Take a look at the latest Saab, the new 900 Sedan. Hasn't it truly beautiful sleek lines?

Inside you'll find our beauty isn't just skin deep. The rich velour upholstery has a quality usually reserved for saloons in a much higher price bracket.

And the dashboard fascia and steering wheel have a sophisticated elegance that will give models from a very expensive German stable a run for their money.

Once in the driving seat you'll understand why many argue it's the most comfortable

and anatomically correct driving position in the world.

Of course, when you study closely the Sedan's beautiful shape, you'll discover we've introduced a boot.

Not just for kicks but to give plenty of luggage room without cramping the leg and head room of the three back seat passengers.

We even commissioned a top Swedish furniture manufacturer to model the back seat like a stylish settee.

So don't be surprised if your passengers sink into a sound sleep the minute they sink into its cushioned seats.

Definitely the quiet purr of the 2 litre twin carb engine won't disturb them.

And certainly the power steering (it's fitted as standard) is so good, especially when parking, that they'll still be fast asleep when the car has come to rest.

By now, you must be thinking that such a beautifully styled car, with such expensive refinements as power steering and a heated driver's seat, can only be afforded by a few powerful top executives.

But believe it or not, the 900 GLS Sedan only costs £6,595.

Which is another reason why Saab must be an ugly word to many a competitor.

SAAB



Linwood: the muddled optimism that turned a 'real winner' into a lame duck

Peter Hill on the Scottish project that was doomed from the start

It seemed an appropriate pun at the time. Many people, said the Duke of Edinburgh when he formally opened the Rootes plant at Linwood in May 1953, were grateful to the motor industry for deciding "to put down Rootes in Scotland".

The £23.5m showpiece plant designed to produce 150,000 vehicles and provide employment for 5,500 workers was the first motor car factory to be built in Scotland for more than 30 years. Its construction represented the fulfilment of the cherished aspiration of economists, industrialists and trades unionists north of the border.

As he surveyed the 273 acres which the Linwood estate occupied Mr Geoffrey Rootes, then chairman of the motor group's Scottish operations, declared the company's confidence that in Linwood it had a "real winner".

Now, nearly 20 years on and millions of pounds of taxpayers' money and countless days lost through industrial action, Peugeot-Citroen, the successor to the Linwood estate is planning to tear up its Scottish roots. The not unexpected decision by the French company to run down its Scottish operations is its response to mounting losses and falling sales of its Talbot marques produced at Linwood.

Since the decision was announced last week, the air around Linwood has become full of bitterness, justifiable anger, and much indignant rhetoric. There is talk of Upper Clyde Shipbuilders-style "workings" and action to prevent Peugeot removing items of equipment. Later today the Opposition leader, Mr Michael Foot will add his rhetoric to the row. Tomorrow he will join Mr Anthony Wedgwood Benn at the head of a flotilla of boats through the streets in Glasgow in protest at the growing tide of Scottish unemployment.

Many of the Linwood workers who, over the next few months, will make the disconcerting transfer from the plant to the dole queues see the demise of their work-place and the loss of their jobs as a direct result of the monetarist economic policies deployed by Mrs Thatcher and her Government. But the seeds of Linwood's destruction were sown almost a quarter of a century ago.

Seeds sown, not by a socialist Government anxious to secure employment and derive political capital largely at the taxpayer's expense, but by an earlier Conservative government. A government, which like

so many others which have followed, was concerned with attempting to provide remedies for the decline of traditional industries in the Scottish industrial heartland through intervention and financial stimulation.

It was a classic example of a Government's regional heart overruling the commercial heads, not only of ministers in the Maclean Cabinet, but also the better judgments of the Rootes company and Scottish steel barons.

From their very conception the fortunes (or more accurately lack of them) of the strip mill at Ravenscraig and the Linwood motor plant have been inextricably linked. As the economy has ebbed and flowed over the years, the two plants have acted as barometers of the state of health of both the steel industry and the motor industry. Now, once more, they are at the focus of political and economic debate.

For with Linwood doomed to die, its demands on the capacity of the Ravenscraig strip mill for the sheet steel required to make motor cars will create a gap which must be plugged with orders from elsewhere if the uncertainty over Ravenscraig is to be removed.

So what was the background to the decisions which have had such unfortunate repercussions for Scotland's industrial belt? From the very outset the Government's thinking was greatly influenced by the need to stimulate investment and create employment in what were then called the "depressed areas" and which now are accorded the style of "assisted areas". Following the general election in 1951 of a Conservative Government committed to the denationalization of the steel industry there was much discussion, as now, about the size of that industry, the investments required to meet the expected demand for steel and, more pertinently, where those investments should take place.

The decision over the location of new strip mill capacity was described by Prof John Vaisey (now Lord Vaisey) in his book, *The History of British Steel*, as: "The most dramatic in the postwar history of the steel industry" and reflecting

the failure of the Government to take steel out of politics.

Two years after the 1955 general election optimistic development plans were formulated for an expansion in steelmaking capacity to around 30 million tons by about 1962. Within the context of that plan a need was perceived for the construction of a fourth strip mill. But the major firms were not convinced that the demand was there to be met although Richard Thomas and Baldwins planned a major new complex at Newport (Wales) and Colvilles the Scottish steel company was keen to develop at Ravenscraig.

The arguments raged, compounding the already considerable political difficulties with the now defunct Iron and Steel Board attempting to hold the ring. Eventually, the board agreed that RTB should be given the go-ahead to build the new strip mill at Newport and the formal approval was given in January 1959. But that was only a part of the matter.

The politicians were heavily involved in the debate and the late Iain Macleod, then

Minister of Labour, was keen to secure a new strip mill for Scotland which would be able to supply both a motor industry and other light industries.

Vaisey records: "In this he was supported by Sir David Eccles, President of the Board of Trade and John Macleay, the Secretary of State for Scotland, and their view was supported eventually by the Prime Minister and the Chancellor of the Exchequer. By the summer of 1958, Lord Mills, the Minister of Power, was asking Colvilles whether Scotland could sustain a strip mill, which would be Britain's fifth."

Colvilles was not convinced and suggested that in its view it would be several years before the Scottish market would be able to absorb the production of a new continuous strip mill and warned that a full strip mill would be a financial disaster. But by October 1958 the question was not whether there should be a fifth strip mill, but as to how it could be financed. That was determined and both strip mills were announced to the House of Commons in November 1958.

At Linwood, the Rootes experience was daunting, for not only were there manpower problems, but its location and the need to organize an effective and efficient logistical system made for considerable difficulties. The rest of the history is more familiar—the takeover by Chrysler Corporation of the Rootes operation in the mid-Sixties; the Labour Government rescue of the company in 1978 at a total cost of £162.5m; and finally the acquisition by Peugeot-Citroen of the Chrysler UK interests in December 1978.

To some extent the policy worked. The village of Linwood, which developed on the back of iron ore mines exploited during the Crimean War, blossomed with the development. New houses, shopping facilities, and rail and road links were developed, easing the chronic housing problems and social deprivations of inner city Glasgow. But within two years of its formal opening, the site has been dubbed a running sore.

The politician's industrial dreams have proved to be a recurrent nightmare.

Costs rose alarmingly and by April 1962 Colvilles was almost bankrupt; further funds were provided by the Government and the banks to support the venture and a year later the Ministry of Power took up its security on the original funds.

It was on May 1, 1963, that Ravenscraig hot strip plant began production — "Colvilles was practically ruined because it had undertaken a project that it had thought unwise", recorded Professor Vaisey.

The strip mill development then had been pushed forward by political pressure—the same pressure which was applied to Rootes which, driven by the need to expand its market share, especially in exports, was anxious to expand its production facilities around its existing home bases in the Midlands around Ryton and Dunstable.

By refusing the company an industrial development certificate to expand in or around its native industrial heart, the Government prevented Rootes from investing at Linwood, 250 miles north of its nearest plant, with the investment lubricated by Government aid doled out under the provisions of the Local Employment Act. It proved to be the watershed of Rootes's development, for not only was it against its better judgment but the small car to be produced at Linwood, the Hillman Imp, marked a new departure for the group.

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reasonable approach to public affairs; from having nobody with any experience of office and from starting with no chance of forming a government.

The social democrats have four former Cabinet ministers, two of whom have held very high office. If they can form an electoral alliance with the Liberals, they will together look much more serious proposition than the Liberals have ever managed to do by themselves.

But that still leaves the problem of policy. It is a delicate problem for them because part of their attraction is that they are not doctrinaire. They will not want to lose that advantage for the sake of sounding constructive. Yet they do need to be seen to stand for something positive as distinct from avoiding the mistakes of others, and the conclusion to be drawn from these regional reports is that the impression they create is still too weak.

There is, it is true, Dr David Owen's book. But for all its merits, that suffers from the same disadvantage as Liberal policy: there is so much of it that few people are quite sure what it is. It is impossible for those setting up a new party to do everything at once, but one of their first priorities must be to issue a succinct manifesto of their aims and policies.

Ken Gille is General Secretary of the Technical Administrative and Supervisory Section of the AUEW, and not the whole union, as stated on Wednesday.

She has her critics: some people dislike the adaptation of old themes to an instrument nowadays associated with pop music. "They don't understand", she replies. "Anyway,

old values and culture on which the Soviet Union publicly turned its back after the revolution, almost a nostalgia for a past that appears to contrast favourably with the spiritual drabness of today.

Her popularity grew. People packed her concerts, and began to circulate privately made tapes of her songs. Lyrics were sent to her by those who knew she was searching for the words to briefly heard matches of ancient ballads.

She began to go on tour, first around the Soviet Union, then to Eastern Europe, and last year for a week to West Germany where she received enormous critical acclaim. Last year she won first prize in a Polish contest as "Miss Variety Personality", a title she finds amusingly flattering. During the Olympic Games she sang to the world's sportsmen in the Olympic village.

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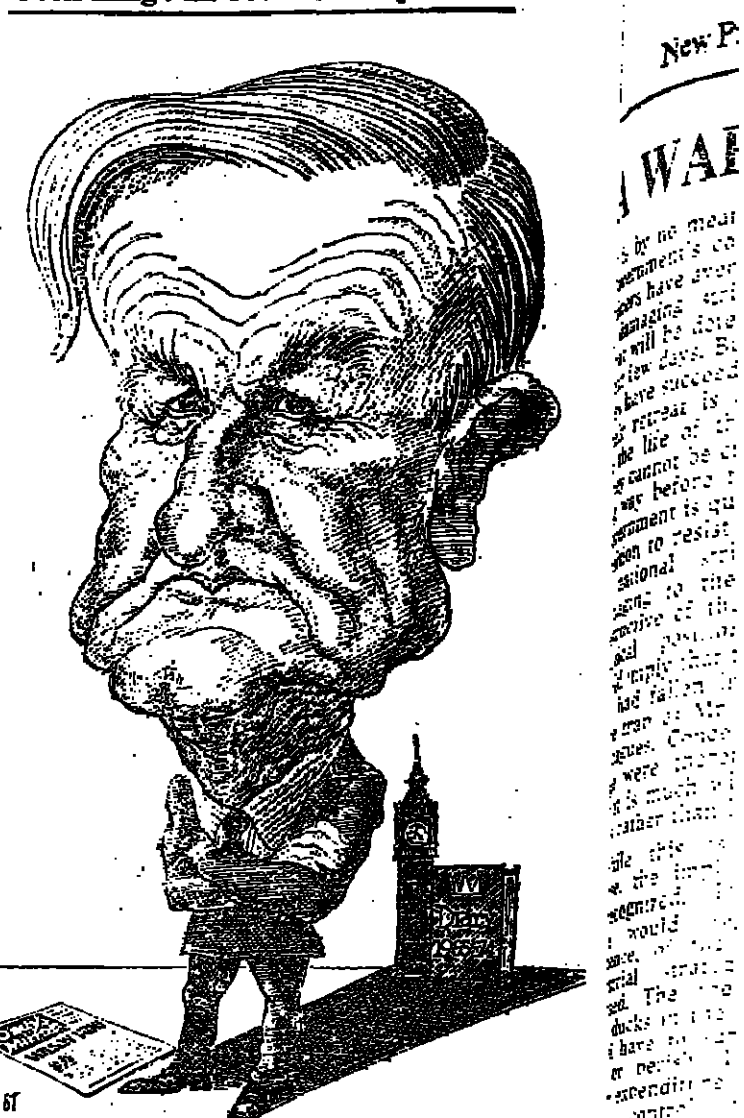
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Cecil King: an 80th birthday tribute



Dynamic days in Fleet Street's royal family

Cecil Harmsworth Knox, once the ruler of the largest publishing empire in Britain, is 80 today. It may seem providential to him that he has survived into ripe old age, for he has suffered more family tragedy than most of us are called on to bear. While a boy at Winchester he lost his two brothers by enemy action. At 15, his sweetest died of brain cancer. And in the past three years, two of his three sons have died.

Yet Cecil King has always believed that he himself would be vouchsafed enough time for his needs: and perhaps more. For, as he has told us, he hated himself until he reached his sixties and lacked zest for life. To protect himself from his mother, Northcliffe's powerful sister, he built himself a strong defensive system, and it was surely this which enabled him to survive his dismissal by all his fellow directors in 1968, when they decided that his personal excursions into politics were inimical to the International Publishing Corporation.

Most men of 67 would have been shattered by this unexpected and sudden blow. But Cecil King stood fast and used his unwanted leisure to entertain, to broadcast, to write a column for *The Times*, and to publish an incomplete biography which described with revealing candour the problems of his own personality and the characters of the Harmsworths.

Later came his diaries, showing disdain for most of the eminent men he had known, and revealing his guests' indirect conversations over the dinner table. Some of them bitterly criticized him for this breach of confidence.

All this side of Cecil King is well known, and it is a side which we, his readers, cannot forget. Yet on this day, as he and his wife, Dame Ruth Railton, celebrate his birthday in London, we may prefer to remember the other side of Cecil King: his calm, his generosity, his support of good causes, his often inconvenient devotion to truth.

He is a man of low spirits but he would easily respond to the kind of stimulus he could get from Irish raconteurs, jocular West Africans, and the joyous, accomplished men and women who created the *Mirror* each day. Perhaps he finds in Dublin, where he now lives, the elements of happiness he experienced there as a boy.

Some people will recall today how Cecil King picked them out for promotion when they were young and saw that they were educated for their tasks. Hugh Cudlipp, whom he made

an editor at 24, is the best known, and the best of them. His flair for picking executives and entrusting them with responsibility enabled him to maintain a presence and an authority over his vast domain, it contained 12 newspapers at home, 11 overseas, 75 consumer periodicals, 132 trade and technical journals, 20 printing establishments and a variety of interests in newsprint, television, book publishing and newsgroups shops.

He was head man, no doubt about that, wrote Hugh Cudlipp. "He felt that his IPC board could rival or surpass man for man any comparable operation in the world." It enabled him to find time to preside over the Newspapers Publishers' Association and insist that the Press Council should be fortified by a lay chairman, a judge. It allowed him to serve as a director of the Bank of England, a member of the Board and the National Park Commission. It was recognized that Cecil King's massive ability had built the empire which put the IPC among the top 25 of *The Times* 1,000 companies list.

These days sometimes seem to mark the end of the reign of Cecil King. His son, Lord Cecil, who took over the running of the royal family of Fleet Street, in Holborn Circus, and half a mile away up Gray's Inn Road was the self-made man from afar, Roy Thomson, a Pickwick in pebble lenses, but an innocent. They clashed in the bid for Othello and King won. He kept his public pledge to succour the *Daily Herald* as it faithfully as Thomson kept his to preserve *The Times*. Yet they had opposed philosophies of publishing. Roy Thomson left his editors free to serve the needs of readers; Cecil King believed that it was his duty to lay down the strategy for his group.

At home, the *Mirror* group's important se British membership of the EEC, and over several years brought them to London to confer with the British colleagues. More important, Cecil King ensured that these papers with their massive circulations and clear voices continued to back Labour in every general election. The tradition continues. No socialist party in the world has enjoyed such powerful backing, or been faced with such powerful opposition from almost all the rest of the popular press.

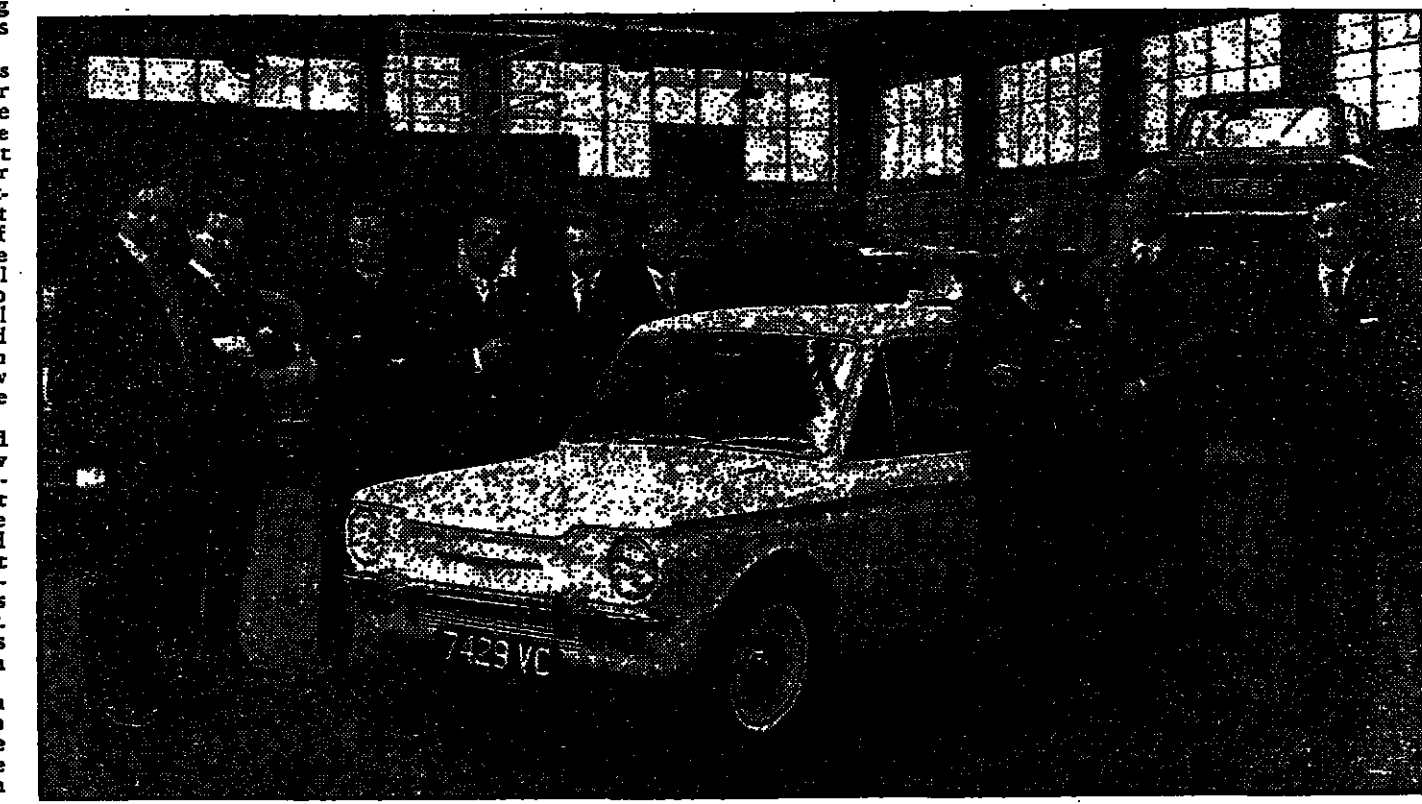
Lord Ardwick (John Bagnall) was political adviser to the *Mirror* group from 1961 to 1975.

War, I am thinking also about every soldier who dies today. Folk music had a common spiritual theme that transcended language and politics. Invariably she is compared with Joan Baez. She sees that the actress as well as a singer she admires. Those voices she met in Bicherskaya can speak English and has occasionally sung in English, but does not borrow much from other cultures her repertoire.

Did she not tire of the songs? "Never. They are the same—I sing different words each time. The creative process is like a train and I feel I have already gone far beyond the stage when I recorded many of the songs a few years ago. I sing different variations now.

"I feel each concert is going to be the last I give in my life. I have to sum up everything I can and give it to people at this last moment."

Michael Binyon



Buoyant days: the design team at the launch of the Hillman Imp at Linwood in 1963.

The centre in turmoil 5: Geoffrey Smith assesses the support in the country

A reasonable lot—but will they stay the course?

The opinion polls put a Liberal-social democratic alliance ahead of the field. But even assuming that such an alliance can be formed, how solid is the support for it? How do attitudes to the social democrats vary from one part of the country to another? In an attempt to find the answers to these questions four reporters of *The Times* have each been testing opinion in a different part of the country. Their articles have been appearing on successive days this week.

Such inquiries cannot, of course, have the statistical



validity of an opinion poll, but they can give the flavour of thinking in different parts of the country. The reports indicate a good deal of scepticism about the social democrats in the north-east and the west Midlands, but a strong measure of support in the Southampton area and towns in the home counties.

This is not surprising. The north-east is one of the traditional Labour strongholds, where many people vote for the party from a sense of instinctive loyalty. It is obvious that any new party is bound to find that kind of attachment, based on habit rather than reason, the most difficult to pull away.

Yet the north-east is of particular importance for the social democrats because four of the 11 sitting MPs who have joined the Council for Social Democracy represent constituencies from that area. Their personal appeal as good constituency members may see them through, but it cannot be encouraging for the new party if four of its leading members are condemned to fight in one of the least promising regions of the country.

The west Midlands are rather different. They are not a solid Labour area in the same sense; indeed, one of the features of this part of the country is the high proportion of marginal seats that it contains. But it has not been good hunting ground for the Liberals for some years. There is therefore a tendency in these parts to see politics in a rather hard-headed way as a simple choice between two potential governments.

The social democrats will have to sustain their support for quite a long time before they break down the belief in the west Midlands that this means a straight choice between Labour and the Conservatives. The much stronger support for the social democrats in the Southampton area and the home counties is also not surprising. These are parts of the country where attachment to Labour is less fixed, where it does not grow so much out of the very nature of the local society. These are, indeed, just the kinds of places where one would expect new trends to become apparent first. But to put it like this is to beg the critical question: are the social democrats a new fashion which will soon enough go the way of other fashions? Or do they represent a trend of the future in a deeper sense?

One cannot expect samplings of local opinion to find definitive answers to these questions, even if definitive answers are now available—which must be doubtful. But the reports do indicate the principal strength and weakness of the social democrats at this stage. Their strength is seen to be their freedom from dogma, in sharp and refreshing contrast to both Labour and the Conservatives. They are the party of reasonable people.

Their weakness is the other side of that coin. Not being either Labour or Conservative, they are already a fairly pragmatic Government operating behind a smokescreen of doctrine. Lord Thorneycroft and Mr Francis Pym have been doing their best to blow away this smokescreen, and their sallies are unlikely to be the last. Whatever else they do, the social democrats are likely to pull the other parties back towards the middle ground. Whether this will be a matter of substance or simply of appearance will not be of great electoral consequence.

There are likely to be only limited opportunities, therefore, for a party of protest. That has always been one of the weaknesses of the Liberals. They have suffered, no matter how unfairly, from seeming to stand for little beyond a

reasonable approach to public affairs; from having nobody with any experience of office and from starting with no chance of forming a government.

The social democrats have four former Cabinet ministers, two of whom have held very high office. If they can form an electoral alliance with the Liberals, they will together look much more serious proposition than the Liberals have ever managed to do by themselves.

But that still leaves the problem of policy. It is a delicate problem for them because part of their attraction is that they are not doctrinaire. They will not want to lose that advantage for the sake of sounding constructive. Yet they do need to be seen to stand for something positive as distinct from avoiding the mistakes of others, and the conclusion to be drawn from these regional reports is that the impression they create is still too weak.

There is, it is true, Dr David Owen's book. But for all its merits, that suffers from the same disadvantage as Liberal policy: there is so much of it that few people are quite sure what it is. It is impossible for those setting up a new party to do everything at once, but one of their first priorities must be to issue a succinct manifesto of their aims and policies.

Ken Gille is General Secretary of the Technical Administrative and Supervisory Section of the AUEW, and not the whole union, as stated on Wednesday.

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She stands alone on the stage, dressed all in black with a long cape sweeping down from her shoulders. Her face and hands are exaggeratedly white in the spotlights, her eyes sparkling, holding her guitar. She suggests enormous pent-up energy, and when she sings the soul of old Russia pours out, sad, haunting, lyrical, filling the auditorium and knocking at the hearts of young Russians with an insistent appeal to their subconscious memories of their country's history and tradition, culture and suffering.

Barriers seem to break down. The humdrum routine and daily frustrations of the big city are lost in the darkness, swept away by a powerful voice singing of love and betrayal, soldiers looking at the blackbirds before they die in the fields, the hardships and happiness of village life, patience, fortitude, the frost and earth of Russia. Many modestly dressed young people, the so-called jeans generation of the cynical and materialist west.

Janna Bicherskaya is unique in this country. She follows in a

long tradition of balladists and songsters, but is determinedly contemporary, singing to a city audience living the realities of Soviet life today. She accompanies herself on the guitar, an instrument not traditionally associated with old Russia, but one that immediately communicates to a young audience and links her with folk singers in other countries.

Her songs are not new. When she had time in her student days she travelled round the country collecting them, and has reworked and adapted them, singing sometimes one variation and sometimes another. The themes are well known, but she brings to each song her own feelings and understanding, her own interpretation of eternal values.

Bicherskaya is something of a crusader. A warm and vivacious woman in her early thirties, she sees folk music as a way of handing on traditional wisdom and culture, opening up a person to a wider experience of life, and in a very Russian way, drawing out his or her "soul".

"I have a great deal of rich material in my hands," she said. "For me a concert is like a séance, and I am a hypnotizer searching for the goodness that lies buried in each person which he often does not realize he possesses. People wear masks, and when I first go on stage I have to take off these masks. At the beginning of each performance I say to myself: 'Dear people, relax, believe me, I won't deceive you, forget your cares, help me. I believe in telepathy, and somehow what I say to myself is transmitted to the audience.'"

Authenticity is important, and for this reason she refuses to be folksy, or appear on stage in traditional peasant dress. She is not a peasant, but a third generation Muscovite. She never lived in a village, but knows some of the hardships and deprivation from her own harsh childhood, and her mother died when she was only five. She knows she is coming as a city-dweller to the songs, and therefore the words and the music are

important, not contrived costumes and character. But theatre is also vital, as she is well aware. The lighting has to fit the themes. When she sings a ballad about a terrified daughter pleading with her calculating mother who is trying to sell the daughter into an unhappy marriage, she switches voices, rhythm, tone, letting a loudspeaker on one side of the stage play one part while the answer comes from the other side. And after the daughter's final cry of anguish and her mother's reply that she is betraying her, the spotlight blacks out, and in the sudden darkness Janna disappears off-stage.

It is effective, and is the product of five years' professional training at the Moscow Institute of Variety Art, she became interested in old songs while following the normal musical course, and began to feel their relevance. She acknowledges the encouragement of one of the Soviet Union's most famous balladists, Bulad Okudjava, a Georgian whose bitter sweet songs have long been popular,

and he urged her to concentrate on Russian folk songs because of the richness of her voice. Both Okudjava and Vladimir Vysotsky, the actor-singer who died suddenly last summer while playing the role of Hamlet at a Moscow theatre, were dedicated to their art, and consequently clashed frequently with authority—in a way that impressed her. "If you are going to be an artist, you have to be a great one," she said.

But recognition was slow to come. In 1972, a year after finishing at the institute, she won a national competition as the best variety artist. But her style and message were not readily accepted, and she had few engagements. Soviet cultural authorities view the harking back to old Russia with some suspicion, and she has still made only two recordings, which, of course, were sold out almost immediately.

But her singing coincides with the mood of the country nowadays. There is a marked revival of interest in the past, a renewed reverence for the

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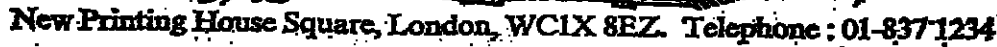
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It is by no means clear that the Government's concessions to the miners have averted the threat of a damaging strike in the pits. That will be determined over the next few days. But even if miners have succeeded in their aim, the Government's concessions are a costly and a costly concession in the life of this Government. They cannot be criticized for giving way before the miners. The Government is quite simply in no position to resist their demands. A national strike would be damaging to the economy and destructive of the Government's position. It is not surprising that it would imply that this administration had fallen into exactly the same trap as Mr Heath and his colleagues. Concessions at some stage were therefore inevitable and it is much wiser to concede early rather than late.

In practice, however, it has all worked very differently. The Government has not found it possible simply to impose cash

With the announcement of its proposals for agricultural price increases for the coming year the European Commission has taken the first step in what is likely to be a hotly contested process. The proposals now go to the Council of Ministers for discussion, and it is no secret that there will be sharp differences of opinion. Britain wants to limit the price increases as far as is possible but many other countries, particularly France, will regard the Commission's proposals as too low, and argue for higher increases. The process is a long one, and the success of which depends on the outcome, and for consumers, who will have to pay the resulting increases in the shops. But what is, after all, a normal negotiating procedure, comparable to the agricultural price review that is to be conducted in this country, has taken on added significance because of the place that the common agricultural policy has come to occupy in the European Community.

The policy has done a great deal to raise the standard of living of farmers, particularly the bigger and more efficient ones. But it has also led to over-production, to surpluses that are expensive to store and dispose of, and to a situation in which Community per capita expenditure on the Community budget is taken up by agricultural spending, to the exclusion of spending on other, equally important sectors. Do the Commission's latest proposals contribute to putting things right? Given the realities of political life in the Community they are a small step in the right direction; but they are only

Yet the Government has not in general modified its rhetoric in line with its actions. This means that it is getting the worst of all worlds. Those who favoured the original strategy are disappointed that it is not being applied more rigorously and effectively. Those who never liked it are led to believe that a severe policy is still being implemented with unrelenting vigour. So the consequences of an international recession are attributed

The first need therefore is to have a Secretary of State for Industry who can provide a new industrial strategy. Sir Keith Joseph was the principal architect of the old one. But he is neither acting according to it nor supplying an alternative. He has performed many valuable services for the Conservative Party. He is a stimulating and provocative thinker whose devotion to the public good is beyond question. The time has come, however, for him to hand over this critical task to someone else at the first opportunity. The Government cannot afford to prosper so long as there is no Macnua at the centre of its policy, and there can be no doubt that someone else is required to provide the radical rethinking on which this administration's future will largely depend.

If the Government object to certain features of the system, which lasted for 25 years until its recent suspension by Government, they are free to suggest modifications which may be discussed formally under the provisions of the agreement. Instead, however, they have behaved in an arbitrary and discriminatory manner which has seriously undermined the mutual trust which should exist between Government and Civil Service. The Government is still just time for the Government is still just time for the way towards restoring an orderly pay regime for the Civil Service. They will find this association and, I am sure, our colleagues—ready to respond.

This difference of opinion can be seen on the question of the election of the Labour leader. I support an electoral college with full trade-union participation. But for the trade unions to participate in an acceptable way will require changes from the trade unions themselves. At the present time their decision-making process reflects their industrial strength according to their votes to all their members. All members have rights in governing what trade unions do on the industrial front; but all members do not have rights in the election of a Labour leader. Communists, Conservatives, Trot-

part in the Labour Party. But now they have decided that we should have an electoral college, they have a duty to find a means of voting in Labour Party matters which party members will accept as being legitimate.

Yours faithfully,
FRANK FIELD,
House of Commons.
February 18.

From Mr Gordon Smith
Sir, It is doubtful whether, in the
long run, your eulogies of Mrs
Shirley Williams (leading article,
February, 10) "kindness, compas-
sion, humanity" etc will benefit
her chances of leading a successful
campaign. Neither she nor the
other charming person, Mr David
Steel, has the remotest idea of how
to deal with inflation, or how to
negotiate with a trade union leader
of the calibre of Mr Arthur
Scargill.
Yours faithfully,
GORDON SMITH,
44 Devonshire Street, W1.
February 13.

The disastrous effect of economic of this kind which threaten to destroy the department's inheritance of wisdom and experience is the more saddening when viewed against the waste which the department is party to in the Natural History Museum modernization scheme.

We believe that, notwithstanding the lower figures previously canvassed, a realistic estimate for the project is probably in excess of £30m, an immense sum which, even allowing for phasing, can surely only be achieved by large-scale neglect or indefinite postponement of many other, far more urgent works of major maintenance and improvement. In preparation for this unbelievably wasteful (and perhaps never to be completed) exercise, the council has undertaken demolition of a large part of one of the best buildings by Alfred Waterhouse, one of our greatest architects.

May we suggest that the departments concerned should not allow themselves greater latitude than would be given to a private owner of a listed building. Under the new Local Government Planning and Land Act an owner who has listed building consent to demolish can be prevented from proceeding until he has actually let the contract for the new building to go on the site. Let the museum find the millions for its new building before it demolishes any part of the masterpiece in its care.

Better of course, by far, to set a
example of good housekeeping by
adopting a less destructive scheme
of improvement. A fraction of the
sum now being talked about would
be enough to employ needed 10 per-
cent listing investigators, 50 or so more
trained guardians, a dozen highly
skilled building craftsmen and the
rental of their workshops for 2
years or more.

Yours faithfully,
WILLIAM SE1, Chairman,
Historic Buildings Committee,
Greater London Council,
JOHN BETJEMAN,
LOUIS BONDY,
REILLY.
IAN L. PHILLIPS,
JOHN SUMMERSON,
The County Hall, SE1.
February 19.

From Mr H. E. Bell'
Sir, Few Parliamentary speeches are memorable; but I wonder why the media ignored a House of Lords debate on European education of February 2 in which among much good sense Baroness Young, comparing us with other countries, stated: "Our television and cinema probably give less opportunity for children to hear a foreign language spoken." Are the IBA and BBC considering this?

There is one small change by which television could do a great deal of good. At present whenever a person on the screen starts to speak in a foreign language the voice is faded almost completely and an English summary of what is being said is superimposed. Such a summary could just as easily be prepared and presented in the form of a subtitle.

Every translation is a sideshift from the truth of the original. To broadcast the actual words would not only be truthful; it would help to familiarise people, and children especially, with other languages and those viewers who are able to follow what is actually being said would not be frustrated and deprived.

Yours sincerely,
H. E. BELL,
Office of the Registrar,
The University of Reading,
February 13.

From Mr Richard Need
Sir, You report (February 16) that Professor Randolph Quirk has given five reasons why English is popular international language. I offer a sixth: that English is comparatively easy to learn, being free from those frills and furbelows that clutter and complicate other languages without adding to their usefulness.

English verbs for example, hardly connect nouns (apart from pronouns, which have an accusative case) do not decline at all; English scorns the pointless absurdities of inflection by which objects are gendered; an adjective equally well describes one of this or two of those without having to "agree" in any way with the noun. The definite article has only one form and does not have to "agree" either.

Add to all this (and much more) a simple and consistent structure and it becomes obvious why English was the automatic choice of writers such as Shakespeare and Milton for the English language. Foreigners were bound to wake up sooner or later.

Yours faithfully,
RICHARD NEED,
8 Bonner Hill Road,
Kilworth, near Thame,
Surrey.
February 18, 1962

From Lady Brook
Sir, When a young girl risking pregnancy has the courage and foresight to ask a doctor for contraception the doctor has a grave responsibility to listen and to give the informed advice and treatment that will best help this particular patient. In her flurry of indignation Dr White (February 17) appears to have misunderstood the nature of this crucial counselling which may determine the future life of a young woman. I am sure that a doctor who moralises and scaremongers instead of listening may simply be writing a prescription for pregnancy.

Last year 58,000 young people came to the 17 Brook Advisory Centres, most of them seeking help with contraception. Two per cent were girls aged under 16. Some came with their mothers, some with an older sister or friend, some with their boyfriends, and some nervously alone. Our policy has always been to help young girls to confide in their parents if they have not already done so and to work with teenagers and parents together to maintain the loving support of the family.

The careful counselling provided by the doctors and social workers gives young girls an opportunity to explore their feelings about themselves, their boyfriends and their future. Contrary to the public expectation, the counselling includes not only contraception, where appropriate, but also information and advice about the legal age of marriage and the risks of pregnancy, cancer of the cervix, and venereal disease.

I, too, heard the statement on television by a family-planning nurse that she had seen a girl of 15 who was still 10 or 11 months flat. Unlike Dr White, I stayed tuned long enough to hear a

From Mr Anthony Vale
Sir, In contrast to the extraordinary attitude to litigation taken by the Court of Appeal (report, February 7), the United States courts have held that there is a presumption in favour of public inspection and copying of any item entered into evidence at a public session of a trial.

After one of last year's Abscam trials, in which one of the main issues was the prosecution's claim that a videotape of the defendant taking bribes, NBC applied to the court for permission to copy the tape. The United States Court of Appeals in New York held that NBC was entitled to copy the tape, saying that the public has a right known to members of the public, including the press, through their attendance in court, it would take the most extraordinary circumstances to justify restrictions on the opportunity of those not physically in attendance to see and hear the evidence.

In America, where discovery usually yields many more docu-

Mr Paisley's declaration
From Mr J. Enoch Powell, MP for South Down (Ulster Unionist)
Sir, Ulster people should also

it was in a context of "devolution all round" or federation, exactly what was laid down in the Porritt declaration of 1974, upon which the then United Ulster Unionist Coalition was founded.

He said (March 19, 1914, Hansard, col 2276): "When you separate one, class (of subjects) and say they are to be treated separately from all the rest of the United Kingdom... and furthermore are to be handed over to their supposed enemies, then the right to fight arises".

I am, Sir, your obedient servant,

I. ENOCH POWELL,
House of Commons.
February 17.

Brook, and I doubt whether it happens at all.
Yours, etc,
HELEN BROOK, President,
Brook Advisory Centres,
153a East Street, SE17.

From Mrs P. D. Riches
Sir, Mrs Caroline Woodroffe, of the Brook Advisory Centres (February 18) brings up that old chestnut that under-age children must be supplied with contraception to prevent abortions. Yet the very statistics she quotes show that the policy the Brook has been carrying out over the years is counter-productive.

The reason is simple: the more contraception has been made available to under-age children, the more recruits have been drawn in, resulting in more sexual activity. Since the pill and other forms of contraception depend on regular use for effectiveness, they are notoriously unreliable when used by immature and feckless adolescents. So it is that we see more pregnancies, abortions, venereal disease, and cancer of the cervix resulting from premature sexual intercourse.

importance. If, as a nation, we
really believe we have lost control
of our children to the extent that
the only care and help we can offer
is the provision of "protectives"
behind the backs of their
parents, then there is little hope for
society. When we as a nation give
100 per cent back-up to parents and
the family with care and not false
sympathy to our children, we will
be on the right road.

Yours sincerely,
VALERIE RICHES, Hon Secretary,
The Responsible Society,
Wicken,
Milton Keynes,
Buckinghamshire,
February 18.

dentiality is met by the device of a protective order. Such an order which will typically be agreed upon by the parties, might provide that the documents be shown only to the lawyers in the case and witnesses who need to review the contents of the documents. The burden is always upon the party seeking protection to establish the need for it,

and the need is much more easily established in pretrial proceedings.

It seems ironical that the Court of Appeal was so concerned about the nature of Williams' evidence, while the action of Williams appears not to have complained about Miss Earmean's use of the documents. And what of the action itself? The conditions in which Williams was confined are obviously a matter of concern to the public, but is the nature of the public far greater, namely to see that the government of prisons is civilized and not inhumane?

Yours faithfully,
ANTHONY VALE,
448 Berkeley Road,
Haverford, PA 19041.

24 February 11.

From Mr P. R. Amphlett
Sir, I trust that the Rugby Football
Union, when considering the report
of the select committee (details,
February 2), will remember the
dictum of the Hon G. W. Lyttonell,
a housemaster at Eton College
in the 19th century, who wrote, "in
the grim struggle for fame the game
loses its primary object which is
recreation. It has nothing of
it left about it." It is the real
business of life, oppressive and
almost ludicrous in its seriousness."
A plague on Burgers, his commit-
tee and his leagues.
Yours faithfully,
P. R. AMPHLETT
Birds Farm,
Uxhampton,
Omsberley,
Worcestershire.
February 13.

Mr. P. M. Barlow.

It is depressing to observe that difficulties are still being encountered in reaching agreement with other EEC member states on a common fisheries policy. It is right that we should be concerned about the preservation of salt-water fish stocks, but I think that the time has come for attention to be drawn to an aspect of the "up to the beaches" claim currently being made by the French Government, which has received scant attention in the press.

I refer to the threat that an "up to the beaches" policy would impose on migratory fish stocks, that is to say sea trout and particularly salmon. Parts of the United Kingdom, especially Scotland and Wales, enjoy rivers which are pure enough to support substantial runs of migratory salmonids. Much effort and British money is expended in ensuring the continued purity and improvement of these waters and the maintenance of their fish stocks.

The result is that angling for migratory salmonids attracts money and sufficient quantities to meet the needs of the fishing Kingdom: to support thriving hotel and tourist facilities, and thus to provide work for either directly or indirectly for many thousands of people. Legal fishing for migratory salmonids should not be ignored either as a source of employment in these relatively depressed areas.

Since 1965 some 1,000 metric tonnes of salmon per annum have been taken from the Greenland fishery and most of those fish were prawned in the streams of the United Kingdom, the Irish Republic, and Norway. Last year, Japanese took 100 tonnes of grilse from the vicinity of the Faroes. These depredations on the stock of salmon are already very serious and threaten the survival of the

species. A "fish up to the
increase the threat to the survival of
migratory salmonids by opening the
approach routes to the fish from
their spawning rivers to all the
waters of the Common Market,
some of whom seem to have no
understanding of the word "con-
servation", and whose govern-
ments seem either powerless or
unwilling to control them. We
have already seen what has hap-
pened to the herring as a result of over-
fishing, and salmonids are much
more vulnerable.

It is therefore essential that Mr.

Walker be urged to ensure that no agreement on fisheries policy is reached in Brussels without a 12-mile exclusive zone for the United Kingdom as a minimum requirement. Anything less would spell disaster.

Yours faithfully,
P. M. BARLOW,
2 Barley Close,
Sibford Gower,
Banbury,
Oxfordshire.
February 12.

Mr Richard Balfé, MEP for London Inner South (Labour) said: "Recent stories about excessive expenditure by the European Parliament are a simplification of the correct statement to the effect that no one other than the European Parliament can control expenditure. The expenditure of the European Parliament is regulated under a system known as the 'budgetary agreement' which is an arrangement whereby the ministers of the member states agree not to interfere in the budget of the Parliament, in return for a similar undertaking from the Parliament in respect of the budget of the Council of Ministers. A number of members of the Budgets Committee of the European

Parliament, including some of our not all of the Conservatives, have been campaigning since our election in June, 1979, for an end to this cosy arrangement.

It is, therefore, not true to say that member governments can have no control over the expenditure of the European Parliament. Members of the Government in the House of Commons, some of whom, as members of the previous indirectly elected European Parliament, will have had considerable experience of the "junks", should be helping us by pressing Tory ministers to insist on reviewing the "gender" of the Government, which was of course accepted by Sir Harold Wilson at the time of the renegotiations.

Yours faithfully,
RICHARD BALFE
259, Barry Road, SE22.
February 16.

Evening the score

From Mrs Daphne Slater
Sir, There has been much publicity lately about photo-copying music, with schools and choirs receiving

to keep music expenses to the minimum for my pupils, even to the extent of searching out clean second-hand copies.

Imagine my chagrin then, when for my daughter, aged 13, I have no choice but to place her in her grade V Associated Board cello exam. The only way she can have the two movements required from a Vivaldi sonata, is to purchase the whole volume of six sonatas.

Is it any wonder musicians turn to photo-copying, in desperation?

Yours sincerely,
DAPHNE SLATER,
10 Provost Road, NW3.

February 18.

Tight limit sought on coal imports
page 18

THE TIMES

BUSINESS NEWS

£12,400m PSBR total in nine months outstrips revised target for full year

By John Whitmore
Financial Correspondent

The public sector borrowing requirement soared to £12,400m in the first nine months of the present financial year and now looks set to emerge in the region of £13,000m for the full year.

This compares with the Chancellor's original prediction last spring of a full year PSBR of £8,500m, and his revised estimate of £11,500m in November.

But there was also some encouraging news for the Government yesterday in the January money supply figures, which confirmed the recent slowdown in the growth of private sector credit demand.

Overall, the broad based money supply sterling M3, rose by £440m, or 0.7 per cent, in the six weeks to January 21. This means that sterling M3 has grown at an annual rate of nearly 21 per cent since last February, the base date for the present target of 7 per cent to 11 per cent annual growth rate target. However, the annualised rate of growth over the past three months has dropped back to little more than 13 per cent.

and is likely to show further signs of slowing down.

A major factor in this fall is the slowdown in company borrowings as the corporate sector continues to demur. In the latest month, bank lending to the private sector rose by £390m. Although seasonal adjustments for January are particularly difficult, it seems that bank lending to the private sector may now be growing at a rate of less than £300m a month, a third of the rate of increase seen last summer.

With the public sector contribution to the total money supply falling, the total domestic credit expansion was £634m, the lowest monthly total for almost a year.

Slightly surprisingly, however, in view of the large trade surpluses recorded recently, the external finance item has remained contractionary. This means that resident sterling deposits (the bulk of sterling M3) have grown more slowly than domestic credit expansion.

What seems to have happened is that exporters have temporarily been holding their receipts in foreign currency, probably dollars, to take advantage of higher overseas interest rates. This is reflected in the M3 definition of money, which includes resident holdings of foreign currency deposits in the United Kingdom. This measure of money jumped by 1.5 per cent in January.

The money supply figures were taken in the City as a further pointer towards a reduction in the Bank of England's minimum lending rate within the next few weeks.

Even so, the City remains in two minds about medium-term financial prospects. While it is encouraged by the typical deceleration in private sector credit demand and the prospect of further falls in the inflation rate, it remains perturbed about the extra money the Government is having to commit to the nationalised industries and the credibility of any significantly reduced PSBR forecast for 1981-82.

But there are considerable doubts as to how far the Chancellor can reduce the PSBR in the next year without the kind of tax increases that might delay any economic upturn.

Financial Editor, page 19
Tables, page 20

Germans move to bolster mark

By Frances Williams

Surprise moves by the German Federal Bank to bolster the Deutsche mark threw foreign exchanges into confusion yesterday.

The bank had been widely expected to raise the key Lombard rate of interest (the rate at which it stands prepared to supply funds to the commercial banks) by a percentage point from its present level of 9 per cent. Instead it has suspended the normal Lombard lending facility altogether for an indefinite period.

In future the bank will decide whether, and to what extent, to satisfy commercial banks' requests for funds at a rate of interest which will vary daily according to market conditions.

Harrold Otm Poehl, the Federal Bank president, said the new policy would mean tighter credit and higher short-term interest rates.

But dealers were uncertain yesterday on how large the increases were likely to be.

Nevertheless, the Deutsche mark closed sharply higher against all other currencies within the European monetary system, and gained 5 pence against a weaker dollar to finish London trading at DM2.1375.

The German Bank called for repayment today of the DM65,500m (£4,300m) Lombard debt outstanding with the commercial banks. It also lifted restrictions on non-residents acquiring Deutsche mark government securities with maturities of less than a year, which should help attract short-term funds into the German currency.

The Lombard debt repayment is unlikely to lead to a sharp rise in money market rates when they re-open today, since the banks have accumulated a cash surplus of DM400,000m and DM90,000m deposited with the Federal Bank.

Interest rates rise: Herr Poehl, president of the West German Federal Bank, left, with Dr Helmut Schlesinger, the bank's vice president, yesterday announcing moves to push up interest rates.

The Federal Bank may have been dissuaded from raising Lombard rates by the improved performance of the Deutsche mark. Over the previous two days it has gone up 6 pence against the dollar after plunging by more than 30 pence since the beginning of the year.

There has also been domestic pressure to avoid interest rate rises which might depress economic activity further. Growth in the West German economy has been slowing down over the past year and GNP is forecast to decline in 1981.

By confining interest rates

risers to the short-term money market, the Federal Bank will be hoping that long-term borrowing investment will not be affected.

However, increased short-term rates will affect the cost of consumer borrowing. This may depress demand in industries such as car manufacturing where consumer credit plays an important role.

Suspension of the Lombard facility will also prevent the bank from placing in the Federal Bank to place in the money market at a higher rate.

In a coincident move with the Germans, the Swiss central bank raised its Lombard and discount rates for the second time in a month to 5.5 per cent and 4 per cent respectively.

The Swiss franc strengthened against leading currencies, including the Deutsche mark, to close in London at Sfr1.2655 from Sfr1.2650 on Wednesday.

The Dollar was considerably weaker, losing ground on all sides, as domestic and Euro-dollar interest rates eased. President Reagan's measures to boost the American economy contained no surprises, dealers said.



Interest rates rise: Herr Poehl, president of the West German Federal Bank, left, with Dr Helmut Schlesinger, the bank's vice president, yesterday announcing moves to push up interest rates.

Stock markets

FT Ind 494.2, up 4.9
FT Cils 68.42, up 0.12

Sterling

\$2.2855, up 190 pts
Index 101.9, down 0.3

Dollar

Index 100.1, down 0.1
DM2.1375, down 480 pts

Gold

\$502.50, down \$2.50

Money

3-mth sterling 134-13
3-mth Euro-S 174-164
6-mth Euro-S 174-164

IN BRIEF

rick works close with loss of 100 jobs

London Brick is to close its smelt works in Bedfordshire at the end of May, with the loss of 100 jobs.

The company said that housing had fallen to its lowest level for more than 50 years and there had been a "considerable reduction in the demand for bricks."

The company had built up a "brick bank" at times of low demand, cushioning the effects of production and employment. It now had over 500 million bricks in stock, equivalent to 10 weeks production.

James Bristow, London Brick's managing director, said the company had been on a four-week strike since October. "We have no option but to go to this further cut in output."

North Sea oil find

A significant oil find has been made by a consortium led by Amoco in North Sea block 28, 17.5 miles from Aberdeen. The discovery, near Fulmar, Auk and Clyde, is of a high quality light oil with a test flow of 6,750 bbls a day. The find could be an important bearing on proposed North Sea gas pipeline.

Other partners in the consortium are Shell, Mobil, Amoco, Esso, and Texaco.

Life lamp

A new fluorescent lamp which aimed to provide the light of a traditional filament bulb but which consumed only one-fifth the power was unveiled yesterday by Thorn, part of the Thorn-EMI group.

A new lamp is expected to be for about £3 and to have a life of 5,000 hours, compared with 1,000 hours for a standard filament bulb. It is said that over its expected life the new lamp would cost £16 less in electricity than a standard 100-watt bulb.

mine closing

British Steel's Micklethorpe No 5 mine at Lower, County Durham, is expected to announce within the next few weeks a £10m investment programme in Britain.

This development comes after Peugeot's decision to close its loss-making car manufacturing plant at Linwood near Glasgow which will result in redundancy for almost 5,000 workers.

The new investment will be at the group's Ryton and Stoke factories at Coventry. The aim is to begin United Kingdom assembly of Peugeot's five-door Horizon model produced exclusively at the company's Poissy plant near Paris.

Mr George Turnbull, chairman of Talbot UK, said in Morocco yesterday during a launch of a new model that the plan for United Kingdom assembly was "in the final stages of decision."

By assembling Horizons in England Peugeot could claim that the car was British-made and thus for a larger slice of the lucrative fleet car market. Many British companies insist that their cars should be BL models or United Kingdom made Ford and Vauxhalls.

Talbot's sales executives estimate that if the car was assembled at Ryton, an additional 15,000 sales could be achieved.

ates' computer

Eight of Britain's big theatres have joined to design a computer-based office system called BORIS standing for Office Reservation and Information System.

The Federal Loan 1, which is supervising the project, is a joint venture between the company and its banks, forcing the latter to put off a planned £1.71m note sale for another week.

ysler cash delay

Chrysler's Federal Loan 1, which is supervising the project, is a joint venture between the company and its banks, forcing the latter to put off a planned £1.71m note sale for another week.

ton import dispute

British steelworkers are angry that the car was British-made and thus for a larger slice of the lucrative fleet car market. Many British companies insist that their cars should be BL models or United Kingdom made Ford and Vauxhalls.

Talbot's sales executives estimate that if the car was assembled at Ryton, an additional 15,000 sales could be achieved.

exchange rates

ound against the Special Right was 5.40013, the dollar rate was 10.

Uncertainty over Reagan plans

From Frank Vogl
US Economics Correspondent
Washington, Feb 19

Uncertainty about President Ronald Reagan's economic programme prevailed throughout the financial community today, as brokers and bankers took time to digest the plans and think about the implications.

One securities analyst said: "Phone me again tomorrow, or on Monday. I just don't know yet."

That was the common reaction to the large and detailed Reagan programme.

However, on the New York Stock Exchange, the Dow-Jones industrial average closed down 13.74 at 933.36.

Financial market participants are widely expected to be in a state of confusion. There is no doubt that the President's public spending and taxation cuts are going to be heavily re-written by the Senate and the House of Representatives.

The mood of uncertainty is reinforced by the recognition that so far the authorities in Washington have issued only about one-third of the new policies.

The second instalment comes next week when Mr Paul Volcker, chairman of the Federal Reserve Board, outlines the money supply targets for the coming year and the steps the Fed will take to make sure it meets those targets.

The final third of the policy programme will be released by the White House on March 10. So far only the broad details of public spending cuts, 83 programmes have been announced. On March 10, the full budget statement will be issued, covering a further 400 programmes and outlining in detail the levels of government borrowing.

Morgan Guaranty Trust Company today cut its broker loan rate to 18 per cent from 18.5 per cent. Later, the Irving Trust Company undercut this with a broker loan rate of 17.5 per cent. The level of economic activity is declining and it is widely expected to remain further in coming weeks. Loan demands are seen as falling and prompting a decline in short-term interest rates.

Business leaders were guarded in their reactions to the Reagan plans, not willing to talk about individual budget proposals. They feel bound to provide general support to what everyone was calling a "bold" programme. Mr Clifton Garvin, head of the business round table and chairman of the Excess, said the programme "comes to grips with the problems of inflation, taxation and government regulation... the new direction set by the President's message deserves our support."

Meanwhile, on Capitol Hill, Mr David Stockman, budget director, and Mr Donald Regan, treasury secretary, attended the first of many scheduled hearings to sell the new plan to Congress. Mr Stockman said that swift enactment of the budget plan would reduce inflation rates, and produce lower interest rates.

Mr Regan called on Congress to accept the new tax-cutting plan soon rather than add things to it. He pledged to propose another tax-cutting programme, as soon as the new one is enacted, to deal with tax incentives to savings and better tax treatment for Americans working overseas.

He asserted that there were "substantial differences" between the new Reagan programme and the policies Mrs Margaret Thatcher had applied in the United Kingdom. Mr Regan said he did not want to go into a detailed comparison, but that the House of Representatives would be discussed with the Prime Minister when she arrives here next week for talks with President Reagan.

High risk strategy, page 19

Energy task force finds prices 'at disadvantage' with Continent

By Peter Hill
Industrial Editor

British industry's complaints that companies are paying disproportionately more for their energy supplies than their principal European competitors are being endorsed by the energy task force which was set up at the start of the year. Its report will be submitted to next month's meeting of the National Economic Development Council.

The report to the meeting chaired by Sir Geoffrey Howe, Chancellor of the Exchequer, will expose the Government to further pressure to take action to alleviate the burden of high prices for oil, electricity and gas on energy-intensive industries.

The task force, whose members include representatives from British Gas, Electricity Council, Department of Energy, National Coal Board, the CBI and TUC, was charged with investigating the growing volume of evidence which had accumulated on the high cost of energy. Its brief was to look specifically at the claims made by the iron and steel, chemicals, paper and board and foundry industries.

The task force will meet to consider a draft of its final report and a further meeting is scheduled later next week.

The draft report, it is understood, states: "In sum our conclusion is that fuel prices to energy intensive users in the United Kingdom have grown out of line with those being charged on the Continent. This represents in some cases a severe competitive disadvantage."

Against the background of the Government's sharp policy switch over the problems faced by the National Coal Board, the report deals in some detail with the price differential which exists for a range of fuels, and has concluded that United Kingdom industrial fuel oil prices have been and remain higher than those prevailing in Europe last year.

On the sensitive issue of gas prices where British Gas yesterday confirmed a 25 per cent rise in domestic tariffs this year, the task force has also apparently confirmed the disparity between the UK and individual industry surveys.

The report cites a disparity of between 2p-3p a therm (10 per cent) for interruptible supplies to industrial customers, and a 3p-5p disparity (equivalent to 10-20 per cent for firm supply) for non-interruptible supplies. United Kingdom industrial users and their European counterparts.

Foundry coke prices in the United Kingdom are up to 30 per cent higher than those in Europe as a result of extensive subsidies provided to Continental foundry customers and a similar scale of difference exists on electricity prices.

While the task force is believed to have established that in England and Wales the price charged to smaller industrial consumers of electricity is more or less in line with those prevailing in Europe, for high load factor customers, particularly in relation to France and Germany, the disparity is between 20-30 per cent.

Main critics are represented in an informal grouping of around 20 MPs, many of whom are underwriting "names" at Lloyd's. Altogether 55 Conservative MPs and one Labour MP provide security as Lloyd's underwriters.

MP critics are threatening to oppose the Bill when it comes up for debate in the House of Commons next month if their demands are not met. This action could prevent the Bill passing to committee stage for further consideration and force Lloyd's to re-draft important sections and seek approval from its 20,000 members.

The new proposals are contained in a letter to Sir Graham Page, Conservative MP for Crosby, Merseyside, who is steering the Bill through Parliament on Lloyd's behalf.

Although the proposals have been welcomed by the Tory critics as a move in the right direction they have been met by a barrage of demands for additional changes and further-reaching assurances.

Tory MPs seek change in Lloyd's draft Bill

By Richard Allen
Insurance Correspondent

Lloyd's, the insurance market backed by private wealth, has come under further pressure from a group of Conservative MPs to make significant changes in its draft Bill to improve self-regulation.

The move comes after Lloyd's failure this week to head off opposition through a compromise formula involving assurance on a number of disputed clauses.

The compromise proposals were put to MPs by Sir Graham Page, Conservative MP for Crosby, Merseyside, who is steering the Bill through Parliament on Lloyd's behalf.

Although the proposals have been welcomed by the Tory critics as a move in the right direction they have been met by a barrage of demands for additional changes and further-reaching assurances.

Peugeot to invest £10m in Britain

By Edward Townsend

Peugeot-Citroen, which owns 50 per cent of the British-made Talbot UK, is expected to announce within the next few weeks a £10m investment programme in Britain.

This development comes after Peugeot's decision to close its loss-making car manufacturing plant at Linwood near Glasgow which will result in redundancy for almost 5,000 workers.

The new investment will be at the group's Ryton and Stoke factories at Coventry. The aim is to begin United Kingdom assembly of Peugeot's five-door Horizon model produced exclusively at the company's Poissy plant near Paris.

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Scramble expected for Aerospace shares

By Philip Robinson

The City's big financial institutions are queuing up ready to pay at least 175p apiece for British Aerospace shares in which dealings start today.

Earlier predictions that initial prices for the 100 million shares would be small, 7p to 10p, are now thought by the market to be too pessimistic.

Conditions for the issue, which was three and a half times oversubscribed, have changed in the past three days. The FT index of Britain's top 100 companies is now just 5.8 points below the 500 barrier.

President Reagan is committed to increase defence spending and the institutions known to be the last to make up their minds have an unsatisfied appetite for high technology stocks.

Stockbroking firms were taking buying orders throughout yesterday from both United Kingdom and overseas investors willing to pay between 165p and 180p for a million shares.

Capel-Cure Myers, stockbrokers, have marked the shares a buy at 165p, and it is believed De Zoete & Bevan have issued a private institutional circular saying "buy" up to 185p.

Optimists reckon the price could go to 200p before easing back and the market could turnover at least half the issue.

The market is opening ten minutes early today, at 9.20, in an attempt to achieve an orderly market.

SE halts Euroflame flotation

By Rosemary Unsworth

The latest applicant to the United Securities Market, has had its flotation halted by Stock Exchange regulations.

The group, which distributes wood burning stoves and heaters, is a prospectus for a placing of 1.1 million shares earlier this week. Mr John Viall, chairman, said at a press conference that he would be disappointed if Euroflame made less than £450,000 profit this year.

The remark was published in several newspapers and the Stock Exchange has demanded that a formal forecast is included in the prospectus.

It told Tring Hall Securities, which was bringing Euroflame to the market and retaining a 55 per cent stake in the group, and Sternberg, Thomas Clarke, stockbrokers, that the information must be made available to all shareholders before the listing can be considered.

Dealings were due to start next Wednesday at a placing price of 30p.

The placing will be delayed by at least a month as the accounts have to be verified by an independent auditor and the prospectus reprinted. This will increase the cost of launching Euroflame by about £3,000. The original cost of the issue was £60,000.

The Stock Exchange said yesterday it was determined that companies coming to market via the USM fulfilled every requirement. "And in this instance we wanted to be sure that the company got it right from day one," a spokesman said.

The placing would have raised £330,000 and put a market capitalization on the group of just over £1m. Last year pretax profits were £278,000 on turnover of £1.57m.

Shrinkage in UK economy

Continued from page 1

finished goods and "work in progress" have all been reduced.

This destocking has meant a sharp reduction in the demand for goods, and output has consequently slumped.

But the fall in output has substantially exceeded the fall in stock levels last year. The 10 companies in the top 100 output ratio of manufacturing industry has soared to unprecedented levels in spite of the record run-down in stock levels.

Another side effect of the recession has been a fall in capital expenditure on things like new buildings, vehicles and plant and machinery. Other government figures just published disclose a fall of 8 per cent last year in manufacturers' capital spending.

However, distributive industry increased its capital spending by 5 per cent. For manufacturers, capital spending in the fourth quarter of 1980 was the lowest seen in any quarter for almost four years.

According to recent surveys carried out by the Department of Industry, capital investment in the manufacturing industry in 1980 could be down to its lowest level, in real terms, for nearly two decades. It is expected to be some 15 to 20 per cent lower this year than in 1980.

This survey, which was made public in December, was substantially more gloomy than previous surveys, although some recovery in capital spending was tentatively thought to be likely in 1982. The drop in capital spending this year could seriously exacerbate the recession.

Tables, page 20

PO denied a monopoly on electronic mail

By Patricia Tisdall

The Post Office lost on two counts at the committee stage of the Telecommunications Bill yesterday.

It failed to obtain a monopoly it had been seeking for the handling of "hard copy" produced by electronic mail transmission systems, and to prevent new competition from international couriers.

Mr Ron Dearing, the chairman of the Post Office said yesterday he was disappointed that the Corporation had not been given exclusive rights over electronic mail handling. He stressed the importance of electronic mail to the future of the postal service, estimating that it could eventually account for 25 per cent of all mail.

The service expects to make a modest profit this financial year even though it is unlikely to reach the targets set by the Government because of improved productivity.

The decrease in volume estimates over the first nine months at 0.4 per cent is less than the 2 per cent drop which had been forecast. But for the long term future, electronic mail services such as Intelpost are regarded by postal executives as vital if the postal service is to remain self-funding.

Speaking against the amendment which would have given the Post Office a monopoly over the handling of electronic mail, Mr Kenneth Baker, Minister for Industry and Infor-

Living in Britain dearer than home for most expatriate executives

Foreigners count the cost of a UK posting

Britain is now one of the most expensive countries in the world for expatriate executives, and the days when it was the bargain basement shopping centre for Europe are long gone.

This is one of the conclusions of a survey of international living costs issued on behalf of a consortium of 500 multinational companies yesterday.

Executives whose home base is in any other country would find Britain vastly more expensive than at home. "For other Europeans, Britain is more expensive than half the world," the survey says.

But a Briton working abroad would find living costs lower than at home in two out of three countries.

Among the few European countries where a Briton would consider living costs high are France and Italy. Also expensive are Kuwait, Indonesia and Japan, with Nigeria at the top of the "high price" league table for the countries surveyed.

The cost of food in Nigeria is much higher than in most other countries except Japan, where it is also expensive. The survey took into account motor and car purchase costs; domestic staff, housing and utilities expenses; schools for expatriate children and clubs for expatriates and their families.

Expatriates have considerable advantages in countries where they have access to special "hard currency" shops, the survey says. This is most noticeable in the Communist bloc. In fact, Peking is the cheapest of all for Western executives, with an index of 70 on the United Kingdom base of 100.

In other countries, the scarcity of necessities basic to an executive lifestyle can send the index through the roof. In the case of Uganda, the index stands at 700, and not surprisingly expatriates make regular shopping trips to Kenya.

The information was gathered from 1,100 questionnaires returned towards the end of last year by expatriates working in 146 countries. It is compiled by Employment Conditions Abroad which operates on behalf of 500 member companies to act as a central and confidential clearing house for information concerning the employment of expatriates throughout the world.

Patricia Tisdall
Management Correspondent

PRICE CHANGES

Key Exp	20p to 258p	Lasmo	15p to 647p
comps	25p to 688p	Ldn Samra	12p to 388p
13p to 646p		NK Elec	12p to 388p
14p to 280p		Sun Alliance	13p to 789p
17p Morris 2p to 18p		Old Scientific	13p to 361p

THE POUND

Bank	Bank	Bank	Bank
2.61	1.93	1.93	1.93
36.50	34.30	34.30	34.30
83.00	79.00	79.00	79.00
1.73	1.70	1.70	1.70
15.75	14.95	14.95	14.95
9.72	9.22	9.22	9.22
11.75	11.25	11.25	11.25
5.10	4.85	4.85	4.85
118.00	112.00	112.00	112.00
12.40	11.80	11.80	11.80
1.37	1.31	1.31	1.31
2440.00	2330.00	2330.00	2330.00
492.00	466.00	466.00	466.00
5.54	5.28	5.28	5.28

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Nabil Ramlawi, London Representative of the P.L.O.

EDITORIAL
through

هكذا من الأصل

BY THE FINANCIAL EDITOR

Credibility gap for the dollar

President Reagan moves boldly to give new lease of life to the United States economy, there is no need to be too cynical. For United Kingdom observers who have on our own aspirations at supply-side economics and medium-term financial planning move off to so dramatically bad a start, it is hard to be otherwise.

Even before the political problems in shoring the plan through are faced, the subtext for the Reagan Administration is for future GNP growth, for a rapidly diminishing Federal deficit and for inflation strain credibility. Suffice it to say for the moment that the implied forecast of nominal GDP growth of some 12 per cent at both this year and next remains hard to reconcile with the Federal Reserve's recent-year aim of keeping monetary growth at less than half that rate.

The only sensible conclusion to be drawn from this is that, on average, dollar interest rates look likely to remain high for the foreseeable future. But to say that this is necessarily bullish for the dollar is altogether more problematical. As expected, the Fedbank moved yesterday to tighten German interest rates and reduce the recent type for the German banks to provide the funds to speculate against the dollar.

How much stability that will lead to the dollar-Dutchmark exchange rate remains to be seen. The obviously vulnerable currency is, of course, sterling. Yesterday's money supply figures, particularly the further moderation in private sector credit demand, add strength to the case for an interest rate cut in MLR despite the poor BR figures.

But even sterling's prospects are not that easy to judge at this stage. Short-term, it would seem that a good part of our surplus earnings on the current account of the balance of payments have recently been held in dollar deposits; these will probably have to be moved back into sterling as and when companies require the funds for domestic use. On the other hand, the Budget comes with doubts that the Government will very much better in financial terms next year inevitably linger as more and more funds are committed to the nationalized industries.

me Darby
Diversification benefits
With interim profits after tax and minorities up by 18 per cent to M\$63.6m, Sime Darby has again demonstrated the soundness of its diverse interests in one of the world's strongest regional economies, though pretax profits in fact fell slightly to M\$137m despite the 12.3 per cent increase in turnover to M\$1,247m, vital spending helped to reduce taxes, so reducing the higher after-tax figure.

The strong point was undoubtedly Trac's Malaysia, which contributed M\$50.2m pretax profits, compared with M\$37.9m a year ago. Tractor's Caterpillar franchise has pulled in contracting business as infrastructure development has gone ahead in Malaysia's Fourth Plan. Logging was not so good, but even here seems that business in Sarawak held up well. Tractor's success is important since it has been trying to diversify into forestry and engineering away from its traditional plantations base. Now Tractor's exploiting that success by making a one-eight rights issue.

Higher palm oil prices help plantations over from their first-half drop, and if Tractor maintains its progress, Sime should at least equal last year's M\$266m pretax profit. But there is no doubt that a sizable acquisition would give Sime a distinct fillip.

The bureaucratic imperatives have probably proved as powerful as the economic ones in the Government's decision to resurrect the debate over the necessity for a new law of incorporation with the Department of Trade's Green Paper. The present system

of registration and disclosure is clearly buckling under the strain of the rate of new company formation. Only a substantial—and politically unpalatable—expansion of the Companies' House staff could have any impact on the number of companies defaulting on the disclosure requirements.

So in very tentatively proposing a new form of incorporation partnership with limited liability as a means of lifting the burdens of successive companies acts from small companies, the Government is suitably after two birds with the same stone.

In terms of helping small companies—the politically attractive bird—it seems fair enough. The "incorporated limited firm" exists in various forms in most other European countries and would, with adequate safeguards for creditors, provide a route to limited liability without most of the procedural elaborations.

Yet as a real step towards revitalizing small business it can hardly be taken too seriously. It would be a very feeble enterprise indeed which required this legal shenanigan to get it off the ground. The real inhibitors of small business are economic and institutional, the danger is that too much weight may be given to these bureaucratic ones.

● Associated Fisheries has spent the last five years busily reducing its fishing activities to the extent that its on-shore activities now account for about three-quarters of capital employed. But the trading fleet is still proving a drain and heavy trading losses there as well as in fish processing have knocked the recovery, which seemed to be underway, smartly on the head.

A return to losses in the second half of the year to last September has eroded all but £5,000 of the £638,000 pretax profit earned in the first half and the outturn, which included £296,000 of government grants compares with profits of £2.19m the previous year.

Doubled interest charges of £534,000 and £664,000 redundancy costs were partly to blame but the extent of the downturn in fishing and fish processing can be gauged from the fact that the group's other activities which accounted for all of the previous year's profit, have not done too badly.

More than anything Associated needs the continuing impasse over a common fisheries policy in the European Community to be resolved. In the meantime, the recession is biting harder although the group was back in profit in the first four months of 1980-81 and there was a substantial drop in year-end borrowings because of ship sales and working capital cuts.

So the shares, down 5p at 48p, and yielding 3 per cent remain a play on the substantial asset-backing and the 38.4 per cent stake held by Eastern Produce.

Marchwiel Sudan losses

Bears of Marchwiel, were caught out yesterday by the decision to keep the total gross dividend at 8.58p; and by the appearance of a tiny £654,000 profit even after providing £10.1m to cover losses on the long-running contract to build a road in the Sudan. Just as important, the £10.1m should be the end of contract because it expires in May.

With a bit of luck, it could be that Marchwiel will find that it has overprovided, though this is the main reason why the group hopes for "very substantial increases in profits" this year. But the shares after yesterday's 7p rise to 96p are still yielding nearly 9 per cent, one of the highest returns in the construction list.

Meanwhile, business remains tough. In turnover terms, Marchwiel is still largely a United Kingdom business; and it is also the group's misfortune to have become so dependent on public work, but this is less than before.

The group has outstanding orders of around £200m, and though it has recently won four useful domestic orders, signs of sustained recovery are faint. So the shares depressed as much as anything on Marchwiel's strong balance sheet.

Net assets a share are 164p; and cash and short-term investments are now around £16m against £20m the year before and a market capitalization of £31m. Diversification and North Sea oil may come to something but the shares may pause for a bit on the view that the dividend is unlikely to be raised next time.

Washington

The walls of the twisting corridor between the Oval Office and the staff dining room in the west wing of the White House are now covered with some fifty colour photographs of Ronald Reagan, running, talking, waving, hand-shaking and horse riding.

The man of action, the President of the United States, made his first speech to a joint session of the Congress on Wednesday night and true to form the sparks were flying.

The President has embarked upon a high risk strategy. Ever since his inauguration, he has led the nation into far rougher economic waters. The odds on the new programme generating more inflation, rather than less, are high.

The programme has been presented with force and confidence, which given the enormity of the requests, might best be ascribed to simple innocence about running America. The Reagan team, after all, has been in power for less than four weeks.

The President is asking nothing less than that Americans turn from lavish credit card consumption to savings, that Congressmen hunt aside big spending habits formed over decades and become misers, that the Federal Reserve Board embrace rigid monetarism, and that the federal bureaucracy overturn to get rid of Civil Service jobs.

Mr Reagan is trying good old fashioned capitalism which, thanks to his public relations assistants, is called "supply-side" economics. America's free-wheeling tycoons of a century ago would have cheered wildly on Wednesday night as the President told Congress he plans to cut spending, cut taxes and cut government regulation.

Paul Volcker, chairman of the Fed, has warned in recent months that public spending cuts must come before tax cuts and he asserted that big tax cuts could be inflationary. President Carter, in contrast, has ignored the advice and is not making his big tax reductions contingent on spending cuts, but pushing them through rapidly. His plan envisages bigger budget deficits than those proposed by his predecessor, but he claims his scheme will halve inflation in four years.

To be specific, the President plans to cut government spending as a percentage of the gross national product, over four years from 22 per cent to 19 per cent, while at the same time maintaining social security and sharply boosting defence expenditure. To do this the President proposes to eliminate or drastically cut almost every domestic spending programme other than the most basic income support ones.

For example, if the Reagan plan goes through hundreds of thousands of unemployed workers in Detroit will find themselves without unemployment benefits because they have already been jobless for more than six months. The social consequences of this for Detroit could be grave, but the White House says not to worry, because its plans will produce a car buying boom in America soon.

On the spending front, in fact, the President is asking the Congress to abolish wholesale many of the agencies and programmes that the Congress has built up over the past 15 years. Total spending cuts for the next fiscal year are set at over \$40,000m (£17,580m). Prudent forecasts would suggest the Congress will not approve even half these reductions.

As for taxation, the President is putting into practice his firm conviction that wealthy Americans

'America's free-wheeling tycoons of a century ago would have cheered wildly on Wednesday night as the President told Congress he plans to cut spending, taxes and governmental regulation'

are taxed too much. Cuts of 30 per cent for everyone, irrespective of whether earnings are \$15,000 a year or \$150,000 are proposed for the next 31 years. Mr Robert Byrd, the Senate's minority leader, has already denounced this plan as inequitable and it is just possible that the Congress will widen the tax cuts by giving more to lower and middle income earners.

The White House tax plan means a cut in revenues in the next fiscal year of \$53,900m, or some \$12,000m more than the saving from spending cuts. The plan envisages a \$45,000m deficit in the budget next year, which is \$17,000m greater than Jimmy Carter's budget proposal. Moreover, the new deficit estimate is based on the assumption that inflation will fall to around 3 per cent next year (from 11.1 per cent) and real economic growth will quadruple to more than 4 per cent.

The Reagan budget amounts to more stimulus for the over-inflated economy than the Carter budget did and if Congress fails to make all the spending cuts requested and adds to the tax cuts (by widening the scope) then the level of stimulus will be far, far greater. To reach the planned reductions in the budget deficits in 1983 and 1984 the President will have to go back to Congress for more spending cuts totalling over \$30,000m.

A key element in the President's plan is firm monetary policies. The Fed has been told to ignore short-term

interest rate changes and focus solely on long-term money supply objectives. It has been told by the White House to halve the rate of money supply growth in a consistent fashion over the next four years.

The Fed's task will be much harder if the budget deficit increases, rather than falls. The White House says the Fed will be aided as much of the tax cuts will move into savings and these savings, rather than new credit supply, will finance the budget deficits. The Fed is unlikely to bank on this.

Recent experience has shown that the Fed's money stock control skills leave much to be desired. One is tempted to suggest that the President has taken an overdose of wishful thinking about the Fed's role.

Some modest assistance will come to the Fed as the Administration seeks to cut off budget credit programmes by government agencies. Such cuts are set at \$5,700m for next year and details of bigger cuts for future years will be released along with all the fine print of the new budget on March 10.

The fourth prong of the Reagan strategy, alongside spending, taxation and money, is reducing governmental regulation. Many United States regulatory agencies have taken 50 years to develop. They represent powerful lobbies, are backed by powerful Congressmen and are supported by legions of civil servants. Dramatic cuts in government regulation of business may be desired, but no excesses.

perceived Washington hand is likely to suggest that the new Administration will have much success here. Clearly if the budget deficit rises rather than falls and money supply grows more rapidly than Ronald Reagan desires and government regulation amounts as before, then inflation will rise, not fall. But the White House insists, of course, that all elements of its programme will be implemented.

The Administration says that cuts in spending and tighter money policies will reduce fears of future inflation and this in itself will lead to interest rate reductions and a surge in savings and investments. The investment boom will be strengthened by the new business tax cuts. As plant and equipment spending rises in the private sector so productivity gains will be seen, thus raising expectations of a more stable economy.

This in turn will reduce interest rates still further, encouraging still more private sector savings and investments. This is the simple logic of the architects of the new programme. Their forecasts of a new era of prosperity where, by the middle of the decade the budget will be in surplus, the inflation rate under 5 per cent and the real growth rate about 5 per cent, may just become reality if every element in the new plan is rapidly implemented.

The broad sweep of the programme is breathtaking. Success would revive the world economy and be a blow to socialism everywhere. But success is crucially dependent upon President Reagan's talents as a salesman.

One may question whether he has got the stamina for a campaign tougher still than the election one of last year. To force the programme down the throats of Congress and the Civil Service alone demands an extraordinary degree of political skill, and if Mr Reagan fails, then one might hear more of vice-president George Bush, who has been challenged by Reagan on the election stump just last year, described the old Hollywood actor's theories as "Voodoo economics".

Technology

How the heat pump blows hot and cold

When something for nothing is offered well-brought-up individuals will naturally look for the catch; the very idea flies in the face of Murphy's Law and so it cannot be true. But, in engineering terms, a something-for-nothing technology is already with us (the idea was already with Lord Kelvin, the great mathematical physicist, in the mid-1800s, but it is rather more recently that it has become a reality).

The technology is that of the heat pump, and it gives something for nothing in the sense that it produces more energy (typically for space or water heating in buildings) than it consumes. It is a effect of the principle of the refrigerator in reverse, with the system taking heat (albeit at low temperature) from the outside air and concentrating it for use inside a building.

Heat pumps can be used in conjunction with unconventional heating systems such as solar panels, and as an integral part of air-conditioning systems. The interior of such disparate premises as Frederick's restaurant, Camden Passage, London, the Manchester shop, Woking, the C & A Building, Arndale Centre, Manchester, Martin's newsagents, Haywards Heath, Roach Vale County Primary School, Essex and the bistro at Liverpool Street Station, London, are among those that have been made more cost-effectively comfortable with the help of heat pumps.

The refrigerator-in-reverse heat pump is an over-simplification, but a heat pump uses the same basic components as a vapour-compression refrigerator—an outside heat-exchanger coil, an

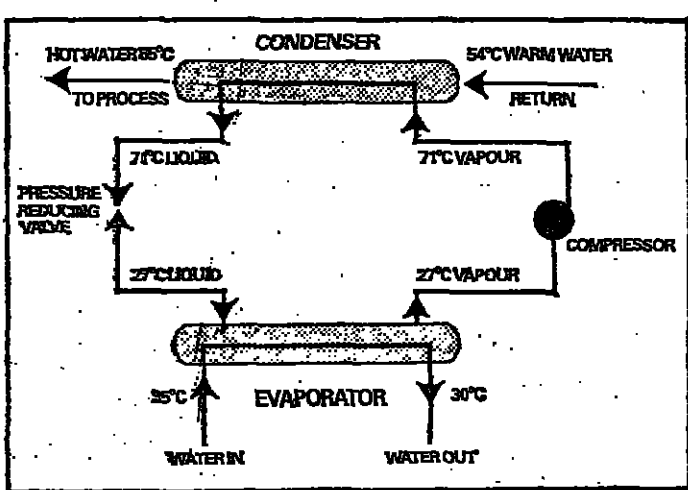
inside coil, and a compressor. One coil will act as a condenser and the other as an evaporator; which is which depends on whether the circuit is reversed. In a typical application the heat pump provides a reversible air-conditioning system.

A refrigerant (normally a Freon fluid) circulates through the coils. In use for heating, the liquid refrigerant evaporates in the outside coil, absorbing low-grade heat from the outside air. An electrically driven compressor is used to compress the refrigerant (now in gas form). As the gas is compressed its pressure and temperature are raised.

Passing to the inside coil, the gas then condenses by giving up heat, providing warm air for the interior. The condensed refrigerant passes back to the outside coil and the cycle is reversed for cooling (with the outer coil acting as condenser and the inner one as evaporator) or to defrost the outer coil.

The performance of heat pumps is measured by the ratio of the heat produced to the work (in energy terms) put in. This is known as the coefficient of performance (heating) and it is always greater than one, reflecting the fact that, uniquely, the heat pump produces more usable energy than it consumes.

In a number of installations monitored by the Electricity Council in recent years, including the premises referred to earlier, coefficients of 2.5 and 3 have been obtained. In other words, for every kilowatt consumed to drive the heat pump, 2.5 or 3 kilowatts of useful heat



For industrial use, a heat pump can take water (or air) at 35°C and produce water (or air) at 65°C. This flow diagram is based on the Westinghouse "Templifier" design.

energy is produced. Energy savings on heating have amounted to 40 per cent in some cases.

Heat pumps used in this manner for heating and cooling can take advantage of higher air temperatures. Professor Neal has shown. The normal roof of a house absorbs solar radiation and the heat-pump evaporator is installed in the roof space. Even greater energy savings are possible if a "thermal store"—for example, a basement water tank—is also incorporated. Heat is transferred to the store by one heat exchanger and taken from the store as required by another.

In industry, the heat pump provides one way of recovering process heat—from the hot exhausts of ovens and furnaces, for example—that would otherwise be wasted.

A typical upper temperature at which heat can be delivered using heat pumps is about 50°C, but higher-temperature heat pumps have also been developed. One such system, based on research and development by the Electricity Council Research Centre at Capenhurst, Cheshire, and Westair Dynamics was designed to give an improved drying process for the timber industry. Here the condenser operated at 90°C, giving airstream temperatures of 80°C.

Another use is in heat-recovery systems for swimming pools. Last week Mr Robert Peddie, chairman of the South Eastern Electricity Board, described progress in this area at Eastbourne Leisure Pool, the hundredth swimming pool in Britain to have electric heat.

pumps installed for energy saving air and water heating. "Using heat recovery with dehumidification by an electric heat pump means that most of the energy comes from within the building itself and the total amount of energy delivered can be greatly reduced," he said. "Here at Eastbourne there will be a 75 per cent reduction in the delivered energy which has to be paid for."

Swimming pools need ventilation to remove moisture from the air, heating for the pool to about 27°C—(creating more moisture in turn by evaporation), and heating of the air used for ventilation to a comfortable temperature. This normally demands a great deal of heat energy from the boiler.

Using a heat pump dehumidifier, the moisture is removed directly. Only a small amount of ventilating air is then needed, and recovered heat can be used to heat the air, pool water, and water for showers.

Heat pumps are being applied also in dairies, for chilling and heat recovery. A combined water and heat recovery system based on a Westinghouse heat pump was opened this week at the Milk Marketing Board's dairy (primarily a bottling and cartoning depot) at Bamber Bridge, Lancashire.

The type of heat pump used in this installation, known as a "Templifier" or temperature amplifier, has a large compressor which enables water temperatures up to 110°C to be produced. Capital cost of the Bamber Bridge project, implemented by NEI Projects, Westinghouse Electric, and APL Wallis Associates, is expected to be recovered in four years from the savings achieved.

Heat pumps provide substantial energy savings and would be surprising if their use in industry is not followed by their widespread adoption in domestic systems. Lord Kelvin was ahead of his time in two respects. In the idea, in the 1850s, of heating houses by abstracting energy from the earth; and also in the name he gave to his proposed device. He called it a "heat multiplier". Which Westinghouse have now rephrased as the temperature amplifier.

Kenneth Owen

Business Diary: Kerkorian's Columbia payoff • Mary, Mary quite exemplary

Kerkorian's battle to control Columbia Pictures appears to have the maverick financier emerging a winner to the tune of \$79m (£34.5m).

For three years Kerkorian's Columbia have been locked in legal squabbles over who runs the film company. But Wednesday it was announced that Kerkorian will get \$55 a share in cash and notes for a massive holdings of Columbia common stock which adds to \$2,438,700.

The price he will receive if Columbia's directors approve when they meet next Wednesday, represents a 44 per cent premium over the current market value of the stock which stood on Wednesday at \$38.75. This is a spectacular gain for the low key exploit who have more than doubled investment he began to make in 1978, when the buying cost averaged \$24.

It is likely that as a result the settlement all pending suits will be dropped. As part of the deal, Kerkorian is promised not to repurchase Columbia stock or participate in any proxy fight for at least 1 year.

He will get \$37.50 a share and the balance will be payable in the form of a 6 per cent interest bearing note due

on January 31, 1983. The settlement ends one of Hollywood's biggest power struggles, between Kerkorian and Wall Street broker Herb Allen, a powerful Columbia director.

Even if Kerkorian had won his law suit it is believed that he would have had a tough struggle to take control of the studio and agreeing to sell out was a smart step by him.

What will Kerkorian do with the cash? Twentieth Century Fox studios is the focus of takeover rumours and so Business Diary would not be surprised to see the film-struck Kerkorian moving in there.

● Norris McWhirter and his team at the Guinness Book of Records are carrying out their annual review of superlatives ahead of the next edition of this singular work of reference. One claim McWhirter and company will be checking out is that Mary Moody (right) is the oldest company chairman in the world.

Mrs Moody, who will be 100 on April 7, is the chairman of the Stourbridge stationers Mark & Moody's, who has been chairman of the 140-year-old company since 1927, following the

death of her husband Arthur the previous year. Should Mrs Moody's claim check out—and there cannot be that many chairmen of her age—then McWhirter will have to institute a new category.

There is no "oldest chairman" shot at the moment—although in the "longest working career" section, there is "longest working life recorded in the United Kingdom" and "longest recorded industrial career in one job".

Both these, as you might expect, are held by members of the longer-lived sex.

● The holder of the former is a Miss Polly Gadsby, who, having started work aged nine with Archibald Turner and Company, Leicester, was still working there 86 years later in 1932 wrapping elastic.

Then there was Susan O'Hagan whose death in 1909 at the age of 107 ended 97 years in service with the Hall family of Lisburn, near Belfast.

The best men can do was done by Theodore C. Taylor, who died in 1952 aged 102 after 86 years with J. T. & T. Taylor of Batley, 56 of them as chairman.



For Leigh-Pemberton, the day was of double rupture. Not only was he putting in the cash for his favourite charity, but the cheque in the hands of the four Julia is of the National Westminster Bank denomination, NatWest being Wimpey's bankers and Leigh-Pemberton being chairman of NatWest.

Julia Dukes, the man who took the Financial Times into Europe, is leaving it there. From May 1, he is to be founding-director and deputy chief executive of Channel Four, the new commercial television channel due to come on air next year.

The announcement came as something of a surprise at the FT yesterday, but there again the office grapevine has never worked too well in Bracken House. When former editor Fredy Fisher decided to jump ship last year few knew until a notice board announcement appeared.

The Frankfurt print run which Dukes masterminded is something of a mixed blessing

for the paper. While there is no doubt that a more commercial and business step in the communications world, it is equally certain that the move has cost the FT's owners Pearson Longman dear.

Dukes, joint managing director of the FT and chairman of Financial Times (Europe), dreamed up the scheme after his masterplan for turning the paper over to new technology bit the dust.

Edmund Dell, the former Secretary of State for Trade, who now chairs Channel Four, announced Dukes' appointment yesterday.

In reality, he will be the administrative man under chief executive Jeremy Isaacs, running everything except programming policy which remains the preserve of the other deputy chief executive and also channel controller, Paul Bonner.

The FT's marketing director, Richard McClean, becomes MD (marketing) and the other present joint MD Alan Cox becomes MD (production and administration).

I do not know whether it is any consolation or not, but Japan's bankruptcies hit a record 1314 cases (up 10.5 per cent in January—but then the value of their debts dropped by about the same amount. That is efficiency for you.

Ross Davies

Moulinex

SALES DURING THE YEAR 1980 (in millions of French Francs)

Pre-tax sales of the mother company amounted to: 1 769.4 against: 1 771.3 for the year 1979.

They are broken down as follows:

	1980	%	1979	%
France	698.6	39	689.5	38
Export	1 070.8	61	1 011.8	62

Consolidated sales reached: 2 262.2 against: 2 130.0 for the year 1979 which means an increase of: 6.2%.

FINANCIAL NEWS

Stock markets

Government concessions inspire equities

The Government's retreat on the coal dispute, which resulted in a return to work call by miners' leaders, brought a renewed surge of confidence to the market yesterday. The market's upward movement was accompanied by a renewed emphasis placed on leading industrialists. Indeed, one leading pension fund was reported to be a big buyer of selected blue chips and was partly responsible for sharp increases in Glaxo, up 6p to 270p, Unilever, 8p to 463p, Hawker Siddeley, 14p to 280p, and Metal Box, 6p to 195p.

The FT index, which made a cautious start, soon gathered pace and closed 4.9 higher at 494.2, having been 5.0 higher at 1 pm.

But the climbdown by the Government in the face of such sudden strike action by the miners remained the main talking point. The market's reaction to the Government's decision to concede to the miners' demands was seen in the prelude to changes in favour of the manufacturing industry in the forthcoming Budget. So sentiment remained firm and was further reinforced by the money supply figures, which were in line with expectations.

Overall conditions were described as almost perfect for the launch of dealing in shares of British Aerospace later this morning. Jobbers were busy last night laying on extra staff to cope with business which is expected to be chaotic and the Stock Exchange doors will be opened 10 minutes earlier than usual. Brokers were also busy, upgrading earlier forecasts and now expect that the shares will open above the 15p premium originally predicted.

Glits made an encouraging start as investors hedged their bets in case of a possible cut in MLR at 12.30. The Government broker took advantage of the situation to activate some more of the new Treasury 12 per cent 1986, which he opened up at £20, although he encountered only modest support.

The decision to leave MLR unchanged saw only small profit

taking in the afternoon and many issues still recorded sizeable increases. In longer rises of £1, the gains were extended to £1 in places.

Leaders made further progress after a confused start brought about by Mr Arthur Scargill's statement that Yorkshire miners intended still to strike on Monday.

Coal dispute news sent mining suppliers racing ahead yesterday. One broker was able to unload over 250,000 shares in Dobson Park at the market price in a matter of minutes. The shares closed 5p higher at 98p.

Rises of up to 3p were seen in ICI at 296p, Beecham at 183p, Fisons at 141p, after 14p, GKN at 152p and Lucas Industries at 171p. But BOC International fell 5p to 115p on comment over Wednesday's first quarter figures.

The Government's pledge of further support for the National Coal Board brought a flurry of activity to mining suppliers. Anderson Strathclyde hardened 31p to 76p, Dowty 8p to 230p, Mining Supplies 5p to 132p and Burnet & Hallams 12p to 90p. A&A held steady at 185p, after 187p.

Electricals encountered re-

newed demand but stock shortages continued to make for volatile conditions among the jobbers. The British Aerospace debut also brought a little spice to many of the electronic issues involved in aerospace activities.

GEC leapt 13p to 646p accompanied by Rascal, 10p higher at 351p, and Ferranti up 5p to 500p. Plessey, reporting third quarter figures next Thursday, hardened 4p to 104p. Among second-line issues Eurotherm International was favoured, climbing 11p to 266p while MK Electric rose 12p to 198p and Electrotechnics 25p to 688p.

Banks were in a quiet mood ahead of the dividend season, which begins today led by Lloyds, up higher at 326p. Midland held steady at 328p, but Barclays shed 4p to 391p and National Westminster 2p to 363p.

In financials the full-year figures from jobbers Smith Bros were slightly above expectations and the shares advanced 2p to 42p, while English Association climbed 25p to 465p after its interim statement.

But Goode Durrant & Murray fell 6p to 21p after trading news.

Other trading news had Associated Fisheries retreating 5p to 48p, Stine Darby 3p to 81p and Daejan 13p to 165p, although better than expected profits lifted William Whittingham 12p to 140p and March-ville recovered 7p to 96p after

turning in a small profit. Wedgwood, still making the most of recent figures, was 8p dearer at 671p.

Awaiting further developments F. Pratt, where Bardsey bids 12 per cent, raced ahead 8p to 113p. Davy Corp, still fending off the approaches of Enserch, hardened 4p to 147p and Denbyware improved 2p to 88p in response to the bid from Crown House. A warning to take no action for the time being from the board of London Sumatra on the bid from Harrison & Crossfield had the former 13p stronger at 388p.

BPC rallied 11p to 15p from recent comment over the attempted rescue from Pergamon Press but in buildings London Brick lost 1p to 69p on its planned closure of its Ridgmont works.

In engineering, support was found for BET Dfd, 7p higher at 123p, but Dupont eased 1p to 113p as the market awaited an announcement on the Phoenix Two project.

Stores ended the day in a better frame of mind in spite of fears of a High Street price war in the wake of Woolworth's cost cutting exercise. Shares of Woolworth closed steady at 54p, after 53p, and stock shortages saw G. A. rise 5p to 48p, Mothercare 2p to 222p and Debenhams 8p to 85p. Boots appeared to be left behind as

the shares slipped another 4p to 238p.

Oil saw renewed demand across the board in sharp contrast to Wednesday when investors held off in anticipation of President Reagan's tough budget speech. Among the leaders BP added 6p to 396p, Shell 8p to 406p, Ultramar 10p to 468p, Laseco 13p to 647p, Iri-central 8p to 316p and Burnco 4p to 180p. Demand was also keen among second liners and Berkeley Exploration stood out with a 20p rise at 258p while in "Aussies" Strata Oil recovered from its earlier disappointment over Woodada, rallying 10p to 186p.

Around 500,000 shares of Hanson Trust, which has just failed in its bid for Central Manufacturing & Trading, were placed in the market this week at 220p.

Properties drew a small amount of speculative support in the hope of cheaper money. Profit taking in the afternoon saw most issues close off the top but most were still showing plus signs at the close. MEPC rose 3p to 238p, Land Securities 5p to 400p, Hammerson "A" 10p to 645p and Stock Conversion 7p to 355p.

Equity turnover on February 18 was £123.768m (15.152 bargains). Active stocks yesterday, according to the Exchange Telegraph, were Shell, GEC, BPs, Fisons, Dobson Park, ICI, BP, B&A, Beecham, Enserch, and Newell, RTZ, Land Securities, IC Gas, Hongkong & Shanghai Bank and Associated Dairies.

Treasury options enjoyed the upturn in the main equity market and 932 contracts were recorded compared with 890 the previous day. 290 Grand Met was favoured with 263 followed by Rascal with 121.

Traditional options saw calls in Firth Brown on 31p, Ultramar on 42p and Alpl Dist Prods on 51p.

Howard Machinery baffled as Diamond raises stake

By Catherine Gunn

Speculation over the intentions of private American company Diamond Industries mounted at Howard Machinery yesterday after news that Diamond had taken its stake in Howard to 16.7 per cent. The shares gained 1p to 30p.

Diamond Industries bought the extra 355,000 shares from private trust Marlborough Securities, previously a staunch holder of Howard, a Suffolk agricultural manufacturer.

Howard, whose chairman is Mr Stanley Mann, has also taken a six month option to buy

Marlborough's remaining 6.9 per cent shareholding in Howard and to use that vote, in the meantime.

Mr Mann has not contacted Howard Machinery to indicate why Diamond has built up this stake. "We don't understand it," Mr C. F. Alsop, Howard's chief executive, said yesterday. "And we don't see any industrial or commercial logic in it, from what we know of Diamond's interests."

Howard is suffering from the recession hitting its British and European markets, though sales in the southern hemisphere are better, Mr Alsop

says. The £6.5m proceeds of the sale of a subsidiary, J. Mann to German group Claas last November, have been used to reduce borrowings and interest costs. The group has estimated its losses to October 31 at £3m after tax.

Diamond Industries has interests in home oil heating, petrol trading and terminals. It bought a near 10 per cent stake in the American broking firm Bache Group from the Hunt brothers after their costly foray into silver dealing. Mr Eric Levine, the solicitor, is acting for Diamond in London.

Directors of Rosgill threaten to resign

By Rosemary Unsworth

Rosgill Holdings, the direct selling group, has made a last ditch attempt to fight off the £2.6m unwanted bid from Lawncast, the private company that is jointly owned by Mr James Ingles, Rosgill's former chairman, and Amber Day Holdings.

In a letter to shareholders, Rosgill directors, excluding Mr David Peel, the chairman, who is to be dismissed if the bid succeeds, say they will resign if the offer goes through.

Their objections are that the 27p a share offer price was below the market price when the bid was made, that it is less than the 30p a share asset value, and is only 3.7 times earnings for the year to December 30, 1980.

The directors also object to Mr Mark's proposal to appoint a managing director to Mr Mark Dickinson, who, they say, has no direct selling experience, and reinstall Mr Ingles as a non-executive director. Mr Ingles founded the company in 1968 but, according to Mr Peel, he has not played an active part in the day-to-day running of the company for more than 10 years. Last year Mr Peel, who was on the point of leaving Rosgill, replaced Mr Ingles as chairman.

"Should Amber Day" insist on proceeding with the offer my co-directors have told Amber Day in writing to anticipate that they would resign should the bid succeed. "Mr Peel said: 'As you know, I am to be dismissed and I understand that a number of other key employees have already indicated that it would be their intention to resign.' He also pointed out that some staff had restraint clauses in their contracts, preventing them from immediately starting up similar businesses."

But Lawncast, which already received acceptances for 58 per cent of the shares and is likely to go unconditional with the offer after an extraordinary meeting of Amber Day shareholders to approve the acquisition of Lawncast on February 27.

Earlier this week Rosgill and its advisers offered 25p a share for ICF's 26 per cent stake and for the 5.75 per cent holding of Graham's chief executive subsidiary holding, via a placing. ICF, which brought Rosgill to the stock market in 1972, refused the offer as it had given irrevocable undertakings to Amber Day and believed that any offer should be available to all shareholders.

Smith Bros swings back to profit

By Philip Robinson

Stock jobbers Smith Bros yesterday reported a major turnover in first half profits. It made more money between April and October last year than in the whole of the previous 12 months.

The firm, one of two publicly quoted jobbers on the London Exchange, is also restoring the interim dividend, paying a gross 1428p against nothing last time. The dividend is paid from pretax profits of £14m against a loss of £522,000 in comparable period in 1979, and profits of £1.7m for the second half of last year.

A major contribution to Smith's best first half since it went public 12 years ago, was its international business. The United Kingdom jobber is known for its business in South African gold shares.

But it also has substantial Australian business and dealt in eight of the major United Kingdom equity sectors. It is also one of the few jobbers thought to be making money from the London traded options market.

No breakdown of profits is ever given by Smiths, but over the six months period the gold price rose 21 per cent, the Gold Mines Index was up 51.1 per cent, the FT 30-share index improved 13.9 per cent, and the all-share index of 750 stocks increased 23.9 per cent.

Smith's records a loss of £21,500 as its share of the joint venture with major United Kingdom equities and Government stock jobbers Week Durlacher Mordaunt to take part in the European Options Exchange in Amsterdam.

Mr Anthony Lewis, chairman of Smith Bros, said: "The European Options Exchange has been running a smooth operation since we set up as London, but Amsterdam is an interesting situation because they are starting the trade in gold futures in April and we have a dealer ready for that."

Mr Lewis is cautious about the second half of this year, but a somewhat accompanying figures he says that trading since October has been quiet.

Bank Base Rates

ABN Bank	14%
Barclays	14%
BCCI	14%
Consolidated Crdts	14%
C. Hoare & Co	14%
Lloyds Bank	14%
Midland Bank	14%
Nat Westminster	14%
Rossminster	14%
TSE	14%
Williams and Glyn's	14%

* 7 day deposit on overdrafts
† 14 day deposit on overdrafts
‡ 28 day deposit on overdrafts

Full-year profits leap at Whittingham

By Catherine Gunn

William Whittingham (Holdings), the Wolverhampton property development and photographic processing group, saw pretax profits jump 25 per cent to £2.85m in the year to October 31. The dividend went up 12.7 per cent to 9.64p gross in line with earnings.

Profits before interest rose £1.76m, to £4.72m, but a steep rise in interest charges to £1.87m from £747,000 left the pretax figure a more modest £2.85m higher on the previous year's performance.

The development and property division again contributed the largest share of profits with £2.44m, a 45 per cent increase. But the photographic side, Colortrend, showed the best performance with an 85 per cent leap in profits to £1.9m. Investment income, a side which the group is anxious to develop, totalled £374,000 against £228,000.

Residential building provides the larger share of the property division's profits. The group had a good carry-forward of building work from the previous year and business, though down, came in steadily during 1979-80. Since December there have been signs of an improvement in the market and industrial lettings have also picked up since then.



Mr John Wardle, chairman of Whittingham.

The photographic side had a good second half which, when it makes almost all its profits. But the mail order processing market has grown more competitive since the end of 1980 and the division is not likely to repeat last year's growth in 1980-81, Mr Geoffrey Sharpley, the joint managing director, said last night.

He is "quietly confident" about the group's performance in the current year. The chairman of the company is Mr John Wardle. Borrowings have been reduced from the year end levels, and interest costs are declining.

MONEY SUPPLY

Figures released (in £m) monthly amount of the money stock, seasonally adjusted at the month-end date.

	Sterling £200m	Sterling £100m	Private security
1970	27.7	56.3	109.1
Jan	27.7	55.6	107.0
Feb	27.6	56.9	103.0
Mar	27.6	57.1	108.8
Apr	27.6	58.1	110.8
May	27.6	58.7	111.6
June	27.6	61.7	113.3
July	27.6	62.5	115.3
Aug	27.6	63.3	117.7
Sept	27.6	64.9	117.5
Oct	27.6	65.3	118.6
Nov	27.6	65.7	120.4
Dec	27.6	67.1	122.3

MONTHLY CHANGE IN STERLING M3 AND DOMESTIC CREDIT EXPANSION (£m)

	Domestic expansion	External finance	Non-current liabilities	Sterling M3
1980	-723	-104	-149	+485
Jan	+270	-57	+330	+330
Feb	-711	-231	-184	+302
Mar	-707	-342	-143	+218
Apr	+1,148	+1,468	+1,248	+1,248
May	+3,365	-343	-79	+4,447
June	+3,468	-209	-306	+2,954
July	+2,034	-120	-109	+1,810
Aug	+1,003	-563	-94	+346
Sept	+1,186	-303	-254	+1,235
Oct	1,450	-195	+102	+1,357
Nov	+869	-337	-161	+371
Dec				
1981				
Jan	+634	-261	+66	+439

CONSUMERS' EXPENDITURE AT 1975 PRICES SEASONALLY ADJUSTED

	Total	Food, drink and tobacco	Housing, fuel and light	Clothing and footwear	Durable household goods	Car and motor-cycles
1978	68,074	20,352	12,723	5,726	3,524	2,372
1979	71,270	20,873	13,241	6,066	4,004	2,561
1980	71,671	20,303	13,109	6,227	3,933	2,207
1979 1st qtr	18,375	5,324	3,300	1,580	1,165	811
2nd qtr	17,543	5,168	3,297	1,479	916	629
3rd qtr	17,896	5,228	3,311	1,576	990	615
4th qtr	18,338	5,498	3,316	1,610	1,025	638
1980 1st qtr	17,704	5,111	3,230	1,558	990	509
2nd qtr	17,689	5,019	3,257	1,519	972	550
3rd qtr	(17,940)	(5,175)	(3,305)	1,540	975	(510)
4th qtr						

CAPITAL SPENDING

Figures published yesterday by the Department of Industry for the fixed capital expenditure of manufacturing, distributing and service for the increase in the value of stocks seasonally adjusted at 1975 prices.

	£m	Change in stocks
1978	2,775	918
1979	2,775	918
1980	2,775	918
1979 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918
1980 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918

PUBLIC SECTOR BORROWING REQUIREMENT

Figures released by the CSO for the public sector borrowing requirement.

	£m	Change in stocks
1977-78	2,775	918
1978-79	2,775	918
1979-80	2,775	918
1980-81	2,775	918
1979 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918
1980 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918

SECTOR BORROWING REQUIREMENTS

	£m	Change in stocks
1977-78	2,775	918
1978-79	2,775	918
1979-80	2,775	918
1980-81	2,775	918
1979 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918
1980 1st qtr	2,775	918
2nd qtr	2,775	918
3rd qtr	2,775	918
4th qtr	2,775	918

Briefly

Meldrum Investment Trust: Pretax revenue for 1980, £1.13m (1980,000). Total gross dividend, £4.64m (4.28p), including special dividend of 0.71p.

C. Shippam of Chichester, Sussex, the sandwich spread manufacturer, reported sales of £19.3m for last year—a rise of 22 per cent on 1979.

Godfrey Davis: RIT has sold its 28 per cent stake in the group and it has been acquired by Hume Investment Trust, which is 60 per cent owned by RIT. The transfer was completed on February 26, 1981 at £100 per share.

Wood and Sons (Hedges): Newman Industries has sold 50,000 shares reducing interest to £71,000 shares (21.77 per cent).

British Waterways: Offer for sale by tender of 54m 8 per cent redeemable preference stock, 1986. Average price obtained was £10.00. Dealings commenced on Friday, February 20.

Agricultural Mortgage Corporation: Announces issue of £2m 12 per cent bonds, February 26, 1982 at £100 per cent. Interest (less Income Tax) will be payable by warrants August 20, 1981 at 45.75 per cent. February 26, 1982 26.6491 per cent.

Celcon Ltd, the privately-owned manufacturer of ceiling services, concrete blocks, Ryasah bricks and Noelite decorative concrete products, reports results for 1980 of £1.13m profit of £3,977,000 (£30,83m, £25,25m, I.C.F.C. holds 25 per cent of the share capital of Celcon).

Francis Industries: At an extraordinary general meeting a resolution to enable the acquisition of the entire share capital of Edward and Co Holdings was duly passed. Whiteley & Sons (Hedges): Samuel Montagu & Co. intends to despatch this formal document for offer by Mr and Mrs Cooper within the course of the next few days.

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 PEGASUS

Looking ahead to summer

Soaking up the sun and mud
baths in Romania

There's nothing quite like it for cooling the blood. Two baths are filled with mud, water saturated with minerals. Into one of them a friendly but firm woman in white overalls empties a bucket of black slime. The water looks as if a rugby pack has just left it. In this tub of dark, warm, slippery fluid the body is meant to revive. Grit and small shells scratch the skin.

Mud baths are only part of the treatment which a visitor to the Black Sea resorts in Romania can expect. The Romanians are very keen on healthiness and the hospitals and clinics on the coast claim to be able to cure everything from high blood pressure to halitosis by methods which in Britain we politely call quackery.

There is great emphasis on water, soaking and floating. Electric currents are applied at low voltage. Exercise is important and whole swimming pools can be filled with people playing an energetic Simon Says. Whether it works or not, it is impossible to say. Like a stall at the end of the pier, a single mud bath is for amusement only. The treatment works for those who believe in it.

Fringe medicine is less of a draw to visitors to Romania than the sun and sea. There are modern resorts, rather austere and purposeful, like a well ordered council estate, which are designed for family holidays. A Romanian resort offers a safe beach, good bathing, hotels close to the sea and very little to

waste money on. The Black Sea has no tide, which can make the sand rather grubby, and the Romanians have discovered pop music, which makes a communal beach sufferable. But all in all, Romania offers a more exotic holiday than usual with good value for money.

Away from the coast Romania is more interesting. In the capital, Bucharest, there are some fine Victorian buildings and some admirably old fashioned restaurants and bars. Most fascinating for a Communist country, however, is the widespread practice of religion. Romania has one of the most devoted Christian communities in the world. An Orthodox church close to the vegetable market in Bucharest is constantly busy.

The priest and his assistants are out of sight behind a gilt screen. The air is heavy with incense, the smell of lighted candles and the sound of unaccompanied singing. There is steady genuflection and the faces of the icons, have been worn away by kisses. All ages are present, dropping in from work.

Up in the mountains, the south of Transylvania, there are resorts which look as artificial as Switzerland. The wooden buildings are similar, if slightly more heavy, and there are lodges for long distance skiing in winter. In the summer, it is like the Ruritanian republic of *The Prisoner of Zenda*, a fact which, when it comes to the legend of Dracula,

the Romanians are happy to exploit.

Bram Stoker, the Irish author of the vampire story, had never been to Romania yet, with the help of books and atlas, he wrote as if he had. There are various historic stories, about Vlad the Impaler and others, which fitted the Stoker myth. Hence there has developed a dedicated tourist tradition of visiting likely Dracula sites.

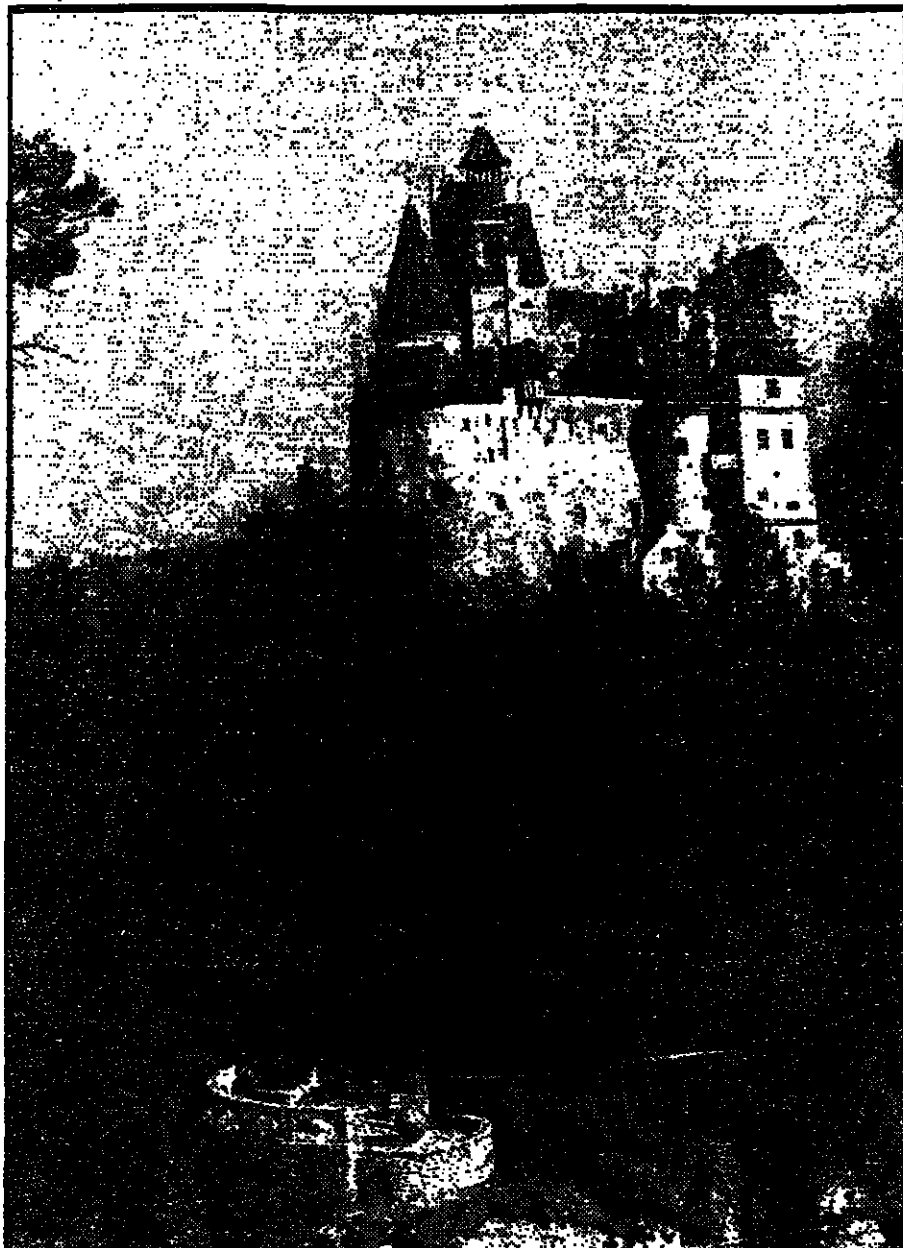
The Romanians are in two minds about this interest in their history. They welcome the money which the tourists bring, so they are happy to turn a blind eye. But they have also become rather fond of Vlad who, as the successful liberator of various parts of their land, has become a national hero they like to promote and protect.

They show the ghoulish visitor Bran Castle, a former royal residence. It has a massive front door with a booming knocker, a tight courtyard with a deep well and overlooking turrets. It is a forbidding place, made the more eerie by a secret staircase lit by candles.

At the foot of the high rock stack on which it is built there is a door which leads to the castle via a dark and dank passage. And for those with good imaginations, the bats appear to give a knowing wink.

Now to get there: Iatasu, from £129 a week at the sea, from £203 for a two-week sea and mountain holiday (full board).

Nicholas Wapshott



Bran Castle, Romania.

So bracing, to discover the
joys of the Scilly Isles

Mile upon mile of empty beaches harking under a hot summer sun. Seas which are as clean as one could wish, thanks to the influence of the surging Atlantic. A solitary main street where you could sit down in the middle of the road on a July afternoon, if you were so minded, and read a book with little fear of holding up the virtually non-existent traffic. Yet you are only 30 miles or so away from the thickest of holiday crowds whose eyes—perhaps fortunately—have not raised themselves to wonder what lies just over the horizon.

So where are you? On an undiscovered Caribbean island, or in the Bahamas, perhaps? Aquitaine? Or the south-west coast of Portugal?

No. These sandy beaches and sparkling seas fringe our own Isles of Scilly—100 islands and islets scattered just off the coast of Land's End. And the odd thing about the Isles of Scilly is that, although they earn their living largely from tourism, they remain strangely untouched by it.

After a day or two on the islands the reason for this lack of despoilation and the absence of crowds becomes clear. Only five of the Isles of Scilly are inhabited, and they have only eight hotels between them.

So the handful of shops in the main street of Hugh Town, capital of the largest island, St Mary's, are never busy. And there is also plenty of room on the excursion boats which leave the harbour every day for the glorious and almost empty beaches of the "off islands".

It all helps to make the Isles of Scilly a magical place, a place in which you can almost feel yourself shedding the cares of the workaday world. A writer called Robert Heath summed it up when he described the islands thus: "The earth, or soil, is like that of Cornwall; but the air here is much wholesome than the air of that county, being so brisk and healthful that sickness is very seldom known among the inhabitants."

One tour company which encourages three generations to take their holiday together, and not just the usual two, is Saga, which specializes in holidays for the over 60s. Though assuming that most people over 60 are physically restricted in some way is an easy trap to fall into, this is by no means the case as Saga set out to prove. Their plan is called *Take Five*, and it offers activities for all ages on each holiday.

Saga also have holidays for the disabled over 60s, at the Princess Mary House short stay home in Harrogate. Details of *Take Five* from *Take Five Holidays*, Embrook House, Sandgate Hill, Folkestone, Kent CT20 3SG, tel: 0303 30401.

Jennifer Teale

islands, and the sun often seems to be shining on them when the rest of Britain is blanketed by cloud. Perhaps that is just as well, for there is nothing else to do on the islands except swim, sunbathe and walk—none of them activities which can be recommended on a rainy day.

At least, almost nothing else. There is the occasional disco on St Mary's, but it was not disco week when I was there last July and I inquired anxiously for some alternative form of evening entertainment. A tourism official scratched her head and thought for a few moments, then volunteered: "Well, there is a slide show in the church hall tonight. That is usually very good."

Actually, it was quite good—although I have wondered since just how much of my enjoyment was due to the fact that I had no choice anyway. Some of the pubs also go in for musical entertainment of the raucous variety—but for the most part the night life in the Isles of Scilly consists of a second cup of after-dinner coffee and an early bedtime.

That, plus its unique setting, is no doubt why the Dunoon Bar of the Star Hotel, on St Mary's, is such a popular evening rendezvous. The hotel really is a converted castle, and is privately owned. You can dine there too; the meals are superb, as long as you are not expecting an à la carte menu.

On St Mary's, a bus tours the island beaches at regular intervals, taking a circular route starting and ending in Hugh Town. The town itself is built on a very narrow strip of land, and sometimes seems to be the only thing preventing St Mary's from splitting itself into two, but that does mean that there are two very handy centrally situated beaches. Town Beach and Portcressa Beach, which are the most popular in the Scillies. Portcressa, a south-facing expanse of clean, yellow sand, is—I suspect—where many holidaymakers settle for the duration.

But, particularly on those golden days which seem peculiar to the Isles of Scilly, other people prefer to head for the harbour where local boats wait to run excursions to neighbouring Treco. There, the famous Abbey Gardens are not to be missed. But see, too, the stunning beaches of the "off islands" like Bryher (now boasting its own new hotel) and Samson. These excursions are not only magical; they are a place where time itself seems to stand still.

I cannot speak for the health of today's inhabitants, of course—although they look well enough. But it is clean air of the Atlantic does sweep over these

Hotel can be recommended (not that you have any choice: it is the only hotel on the island), and once again there are boat excursions to the other islands.

The Abbey Gardens really are something special. Set out among the trees on a sheltered, south-facing hillside, they contain neatly labelled, semi-tropical plants and shrubs from all over the world. Fortunately, frosts are rare in this corner of Britain.

But these nature has blessed the Isles of Scilly. For botanists and bird-watchers alike they are idyllic—home of a unique variety of wild flowers unknown on the mainland, and such winged rarities as the avocet, the golden oriole, snow buntings, shrikes and skuas.

And if you do not know the first thing about plants and birds, the islands are still a wonderful spot to explore, and to relax. They are also surprisingly cheap. Staying at the Star Hotel, full board, costs about £15 a day. Besides the hotel, there are plenty of low cost boarding houses, and there is also some very good, modern self-catering accommodation—though this tends to get snapped up early by visitors.

Many youngsters choose to camp on the islands, which at about £1 per night on an organized site can be ideal if the weather is good. There are sites on Bryher, St Amos, and St Mary's, as well as on St Mary's.

Bar lunches in the pubs in the main street of St Mary's cost about £1, and are excellent value. Such necessities apart, the Isles of Scilly are a wonderful place to spend a holiday on the Isles of Scilly is to opt for the simple life. Or, as Robert Heath put it: "Here nature acts without disguise; here she uses no false or glaring colours to dazzle the eye; the spectator: truth appear in its native simplicity, unadorned with meticulous embellishments and beautiful in its own nakedness."

They do not write travel books like that any more. And they do not make resorts like the Isles of Scilly, either. How to get there: Bryher Airways fly between St Mary's and Newquay, with connections to and from London (Heathrow, Birmingham and Aberdeen) (single fare from London to St Mary's £46.50). A regular British Airways helicopter service links St Mary's with Plymouth (Penryn) (1250 single). And the ferry from Scillonian III, whose shallow draught ensures that the rolls in all but the calmest sea, runs a daily service between Penzance and St Mary's which is popular with day-trippers. The information centre for the Scillies is at the Town Hall, St Mary's.

Robin Mea

The trouble
with tickets on
the cheap

The first time I ever bought an airline ticket from a bucket shop the establishment concerned was at the top of several flights of rickety stairs in a corner of Covent Garden which had clearly seen better days.

I handed over my £387 and was given two sets of tickets which purported to promise me return trips to Hongkong, stopping off in Bangkok. In the event, I reached everywhere I had planned to and suffered but one delay. It was in Amman where King Hussein of Jordan was late in boarding the plane and spent a large part of the flight apologizing personally to the other passengers for the hold-up.

My experience is likely to be typical of most bucket shop travellers—the trouble-free flight, I mean. Meetings with royalty cannot be guaranteed. But with the tremendous growth in cheap scheduled airline tickets recently, it is worth bearing in mind a few points about buying them.

Airlines provide tickets to bucket shops because they have spare seats. This casual fact has led to a number of operators putting together the most fanciful routes, sometimes involving two or more airlines, at prices which cannot be matched by normal travel agents.

The first rule for anyone wanting to buy such a ticket is to shop around. Prices vary greatly according to which airline the shop uses and the dates you wish to fly. When you have found what you consider to be the right price, ask the shop to provide you with a written itinerary for the route with the name of the airlines carrying you.

It pays to study this carefully. You may find that a

flight which is £20 cheaper leaves you stranded for half a day at a mid-air-traffic airport before your next flight. Airports are the same the world over, to be avoided.

At the risk of sounding like a Cold War warrior, I would advise people to think seriously before accepting any routing involving a stop-off, cheap as they usually are.

The Russian airline is not bad, when it flies. But it is notorious for delays and even more notorious for the off-hand way it treats the victims of those delays. It is not unknown for passengers from London travelling through Moscow to India to be returned to London from Russia when they, through no fault of their own, have missed their connection.

Check your tickets before paying. The most important part is the small box marked "Status". Ensure that it is marked "OK". If there is anything else marked there, demand an explanation from the shop; you could be travelling standby.

Finally, the question of restrictions. Many bucket shop tickets preclude stopovers and changes of itinerary. If the bucket shop tells you that yours does not, check later with the airline concerned that they are right, and reconfirm early.

All of these comments apply to scheduled flights. Many of the cheap tickets on offer for European destinations are for charter flights taking package holidaymakers abroad. These should present travellers with no problems, though it is worth remembering that charter tickets are normally totally inflexible. Miss the plane and you have lost your money.

David Hewson

Twice a week
to Sicily

At a time when airlines are cutting back on many routes, Alitalia is beginning direct flights from London to Palermo and Catania in Sicily. Behind the decision to start the new route is the 48 per cent increase in 1980 in British tourists going to Sicily. Most of the 100,000 holidays taken are in the medium to high-priced bracket and the season has extended into the spring and autumn as well as the high summer months, because of the exceptionally mild climate.

The president of Sicily's regional government, Signor Mario D'Acquisto, was in London for the announcement of the launch. Visitors have been discouraged in the past by reports of mafia activity, but Signor D'Acquisto claims that the region is very stable politically, compared with the rest of Italy and has not experienced anything like the modern terrorist outrages and kidnappings affecting other parts of Italy.

Commenting on complaints about growing violence against tourists and in particular handbag snatching, he maintains that such attacks are confined to the large towns and that they do not affect the tourist

areas as such. Nevertheless, special police surveillance has been introduced throughout the season to curb this nuisance.

Sicily has many tourist attractions. So far it remains relatively unspoiled with many miles of uncrowded, good beaches and spectacular island scenery. It has a wealth of art treasures, culled from its fascinating history, monuments and museums from the neolithic and Greek periods to the baroque, and archaeological sites of great interest.

Recently, a British archaeologist, Honor Frost, discovered a Phoenician ship near Marsala, which rates as a major find.

The new service, which starts on March 29, will operate to each city twice a week on Wednesdays and Saturdays to Catania and Fridays and Sundays to Palermo, in both cases leaving London Heathrow at 14.40. Prices to both cities are the same, though the flight to Catania is 10 minutes longer. Ordinary economy flights are £167 and first class £296 each way. Apex fares, subject to the usual conditions, are £156 return with a higher fare of £171.50 return for the period July 1 to September 30.

Holidays to suit
all in a family spanning
three generations

It is not only the presence, or threat, of strikes and go-slows which can put a holidaymaker off travelling abroad. Special needs within one's own party can be equally restricting: young children, pets, disabled persons have special problems which can often only be solved by staying in Britain.

There are several publishing houses which produce booklets aimed at such holidaymakers. Herald Advisory Services (23a Brighton Road, South Croydon, Surrey) produce two booklets, *Pets Welcome!* and *Children Welcome!* and *Children Welcome!* Accommodation throughout Britain and the Channel Islands which, as their titles suggest, welcome children and their families' animals. *Pets Welcome!* also has a section at the back listing dog and cat kennels and another of

pony trekking and riding holidays. Jonathan Lewis's *Family Holiday Guide* is a larger book recommending holidays in hotels, holiday centres, flats, cottages, farms, caravans and boats. As with the above two publications, the accommodation is listed by area, but it has a greater number of advertisements to tempt any potential visitors.

This book is obtainable from Lewis Publications Ltd, 31 Castle Street, Kingston-upon-Thames, Surrey, KT1 1ST, tel: 01-549 7688, Price 75p. In this International Year for the Disabled, some companies are promoting special holidays with escort services. The *Chalfont Line* provides holidays in many countries for disabled people and their friends. The brochure and other details are available from 4, Midway Parade, Perivale, Middlesex, tel: 01-998 2143/6516.

The Royal Association for Disability and Rehabilitation (REHAB) produces a book entitled *Holidays for the Physically Handicapped*. It is not aimed solely at those people with restricted mobility but also at those other disabilities, such as blindness, epilepsy and dietary problems. This book, excellent value at 50p, lists hotels and guesthouses by area and includes details of different facilities for particular needs. REHAB, 25 Mortimer Street, London W1N 8AB, tel: 01-637 5400.

This organization also produces a guide to British Rail for the physically handicapped, which has details of facilities available at each station and on the platforms. British Rail themselves also make special arrangements for disabled travellers, provided they are warned in advance and given specific

details of the journey to be undertaken. One tour company which encourages three generations to take their holiday together, and not just the usual two, is Saga, which specializes in holidays for the over 60s. Though assuming that most people over 60 are physically restricted in some way is an easy trap to fall into, this is by no means the case as Saga set out to prove. Their plan is called *Take Five*, and it offers activities for all ages on each holiday.

Saga also have holidays for the disabled over 60s, at the Princess Mary House short stay home in Harrogate. Details of *Take Five* from *Take Five Holidays*, Embrook House, Sandgate Hill, Folkestone, Kent CT20 3SG, tel: 0303 30401.

Jennifer Teale

Worth a dawn
awakening to see Luxor
at its best

The sun was shining in London. By the time we got to Dubrovnik it was raining, and after steaming down the Yugoslavian coast, the Athenians were all muffled up in tweeds and wearing boots. A botanical expedition to the slopes of the mountains brought tears to the eyes from the icy winds. Not what one expects, but fast summer was not quite up to standard from the weather point of view anywhere.

Owing to the custodians' semi-strike, Crete was shut, and it was not till the Orpheus docked in Alexandria that this particular Swan's Hellenic Cruise felt that the warm weather had arrived. The party split into three—those remaining on board ship in Alexandria, those going to Cairo and those who had chosen, as I had, to go to Luxor and the Valley of the Kings.

Cairo seen after a long bus trip was not, perhaps, in full flower. We whizzed smartly round to view the Sphinx and the Pyramids, but I was astonished to discover we were not in the sands of the desert but in the suburbs, and climbed into one of the Pyramids to listen to one of the worst local guides ever. Brushing off attempts to sell us anything from a very very genuine antique to a smallish

camel, we climbed back into the bus and negotiated the Cairo rush-hour (with goats) to the airport, and a swift trip to Luxor.

Luxor is lovely. I can quite understand why the Edwardian rich used to winter there—I'd winter there myself. There are the Egyptian villages, straight out of the illustrations to a child's Bible. The green steps short at the desert as if ruled off with a pencil and ruler. The modern annexe to the Winter Palace, itself a truly imposing monument, was extremely comfortable. The food, while not good, wasn't bad either. In Luxor you rise with the dawn (a wonderful sight) and take the ferry across the Nile to the ever waiting buses for the Valley, before it gets too hot. Ahead there were a lot of people there.

Down to the tombs on rather fragile ladders, bedded in the earth on rather a steep slope, past miracles of colour and invention, myth and reality. You may have seen the tomb paintings on the television, in paintings and in photographs, but nothing can rival the originals, preserved by the dry air and as bright and fresh as the day they were painted. In such an extraordinary cult of the dead, it is hard to

prefer one tomb to another, they are all so beautiful. Fortunately Swans provide an expert as well as the local guides, good though these may be. The gigantic temples at Luxor are truly inspiring, another wonder of the world.

Have I really seen the statue of Memnon, which was supposed to utter a cry at sunrise? Have I seen the face of Ozymandias, King of short grey hairs in Harrogate? Two nights and one day in Luxor weren't enough, though I bought a gallibay made to measure between 6 and 9 in the evening. Another dawn saw us en route for Port Said—not a spot I would recommend. It seemed to me to be the remainder capital of the world, apart from some dark, pin-striped suits, with an additional Luxor thread. "Made in Britain" it said, proudly. Apart from James McClure's fictional Zulu detective, Mickey Zandi, I can't think of anyone who would wear it.

We entrusted ourselves nervously to a rather ramshackle Egyptian bailey bridge to the ship, which had been assembled with many a Laurel and Hardy-esque scene, and were off.

One of the pleasures of a cruise is the variety of the points of call. We visited the southern Turkish cities, Perga and Aspendos, visited rather earlier by St Paul. Aspendos has a huge, almost complete Greek theatre (seats 7,500) and you can hear every word from the 120ft long stage. Enormous sites remain to be excavated. Rhodes was strike-bound on a Sunday, but Cyprus was warm and sunny and welcoming and we looked at the Tombs of the Kings (which are not tombs and contain no kings) and some wonderful mosaics. The goats appear to be the result of a mythical encounter between a goat and a red setter—goat shaped, setter coloured, top it rained. The rain broke off for a delicious and entirely Greek lunch of bits and pieces, good bread and wine, poured. It was a lovely day



A suburban trip to see the Pyramids.

in Venice, with a two-hour strike at the airport. But we all had had a good time.

Later in the year I spent the weekend in Greece, as the guest of Young World Holidays. We went to see Greek Village, their operation in Thassos. Our party didn't fly out with the regular customers, but by a rather more tortuous route which took us overnight to Athens, changing airports (beware Greeks bearing offers of taxis) flying to Thessaloniki, three hours by car to Kavala, ferry to the island of Thassos, and then a short trip to Lemnos. And Aspendos was a huge, almost complete Greek theatre (seats 7,500) and you can hear every word from the 120ft long stage. Enormous sites remain to be excavated. Rhodes was strike-bound on a Sunday, but Cyprus was warm and sunny and welcoming and we looked at the Tombs of the Kings (which are not tombs and contain no kings) and some wonderful mosaics. The goats appear to be the result of a mythical encounter between a goat and a red setter—goat shaped, setter coloured, top it rained. The rain broke off for a delicious and entirely Greek lunch of bits and pieces, good bread and wine, poured. It was a lovely day

people. I slept all afternoon. Unfortunately the barbecue on the uninhabited island of Thassos had been rained off, and dinner was a 300 yard dash through a rainstorm of monsoon like fervour. On to the disco? Not! The next morning was sunny, warm and cloudless, with the local populace gathering for church, a perfect Greek day. We took a trip round the island of Thassos, which is green, pretty, with lots of uninhabited beaches, as yet unspoiled (ie not yet thronged with high-rise hotels). We visited a white, gleaming monastery (they keep a spare pair of trousers to hide from its Creator, the sight of male legs in shorts). Lunch was on the Greek Village beach, in an olive grove,

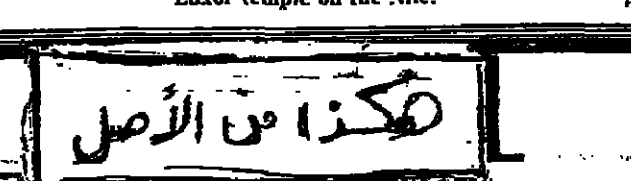
where the holidaymakers (average age 22) were obviously enjoying it, swimming, sailing, eating and chatting each other up.

Young World Holidays takes a number of apartments and houses, all with twin rooms. Food is not provided, but there are a large number of small restaurants, tavernas and cafes. After lunch I visited the Acropolis (which I believe the Swan description of an Acropolis ("A high mound entirely covered by tourists") looked at the little Greek theatre (still in use) and wandered round the town and harbour, which was paved with slabs of marble some 2,000 years ago.

Dinner was at a restaurant slightly off of town where we all arrived in buses and

had a jolly Greek meal, a band, and a plentiful supply of throwing plates. local wine is powerful (its tone described as "nerve") by one of my companions. The advanced Greek dancing is that number can dance and I couldn't see anyone left out.

Philippa Took from Gatwick, prices from £625 to £1,235 weeks. Details from R. K. Swan (Hellenic) 237-238 Tottenham Road, London, W1. Greek Village, from £169 for two weeks from wick, £10 extra from chester. Details from World Holidays, 29 Road, Brighton.



Luxor temple on the Nile.

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